



General Assembly

Amendment

January Session, 2009

LCO No. 8238

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Offered by:

REP. O'NEILL, 69th Dist.

To: Subst. House Bill No. 6672

File No. 764

Cal. No. 523

***"AN ACT CONCERNING THE 2008 AMENDMENTS TO THE
UNIFORM COMMON INTEREST OWNERSHIP ACT."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 47-202 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2010*):

5 In the declaration and bylaws, unless specifically provided
6 otherwise or the context otherwise requires, and in this chapter:

7 (1) "Affiliate of a declarant" means any person who controls, is
8 controlled by, or is under common control with a declarant. (A) A
9 person "controls" a declarant if the person (i) is a general partner,
10 officer, director, or employer of the declarant, (ii) directly or indirectly
11 or acting in concert with one or more other persons, or through one or
12 more subsidiaries, owns, controls, holds with power to vote, or holds
13 proxies representing, more than twenty per cent of the voting interest
14 in the declarant, (iii) controls in any manner the election of a majority

15 of the directors of the declarant, or (iv) has contributed more than
16 twenty per cent of the capital of the declarant. (B) A person "is
17 controlled by" a declarant if the declarant (i) is a general partner,
18 officer, director, or employer of the person, (ii) directly or indirectly or
19 acting in concert with one or more other persons, or through one or
20 more subsidiaries, owns, controls, holds with power to vote, or holds
21 proxies representing, more than twenty per cent of the voting interest
22 in the person, (iii) controls in any manner the election of a majority of
23 the directors of the person, or (iv) has contributed more than twenty
24 per cent of the capital of the person. Control does not exist if the
25 powers described in this subsection are held solely as security for an
26 obligation and are not exercised.

27 (2) "Allocated interests" means the following interests allocated to
28 each unit: (A) In a condominium, the undivided interest in the
29 common elements, the common expense liability, and votes in the
30 association; (B) in a cooperative, the common expense liability and the
31 ownership interest and votes in the association; and (C) in a planned
32 community, the common expense liability and votes in the association.

33 (3) "Assessment" means the sums attributable to a unit and due to
34 the association pursuant to section 47-257, as amended by this act.

35 ~~[(3)]~~ (4) "Association" or "unit owners' association" means the unit
36 owners' association organized under section 47-243, as amended by
37 this act.

38 (5) "Bylaws" means the instruments, however denominated, that
39 contain the procedures for conduct of the affairs of the association
40 regardless of the form in which the association is organized, including
41 any amendments to the instruments.

42 ~~[(4)]~~ (6) "Common elements" means (A) in the case of (i) a
43 condominium or cooperative, all portions of the common interest
44 community other than the units; and (ii) a planned community, any
45 real property within a planned community owned or leased by the
46 association, other than a unit, and (B) in all common interest

47 communities, any other interests in real property for the benefit of unit
48 owners which are subject to the declaration.

49 [(5)] (7) "Common expenses" means expenditures made by, or
50 financial liabilities of, the association, together with any allocations to
51 reserves.

52 [(6)] (8) "Common expense liability" means the liability for common
53 expenses allocated to each unit pursuant to section 47-226, as amended
54 by this act.

55 [(7)] (9) "Common interest community" means real property
56 described in a declaration with respect to which a person, by virtue of
57 his ownership of a unit, is obligated to pay for a share of (A) real
58 property taxes on, (B) insurance premiums on, (C) maintenance of, [or]
59 (D) improvement of, or (E) services or other expenses related to,
60 common elements, other units or any other real property other than
61 that unit described in the declaration. ["Ownership"] "Common interest
62 community" does not include an arrangement described in section 8 or
63 9 of this act. For purposes of this subdivision, "ownership of a unit"
64 includes holding a leasehold interest of forty years or more in a unit,
65 including renewal options. "Ownership of a unit" does not include the
66 interest which a resident holds in a mutual housing association, as
67 defined in subsection (b) of section 8-214f, by virtue of either a state
68 contract for financial assistance or an individual occupancy agreement.
69 An association of property owners funded solely by voluntary
70 payments from those owners is not a common interest community.

71 [(8)] (10) "Condominium" means a common interest community in
72 which portions of the real property are designated for separate
73 ownership and the remainder of the real property is designated for
74 common ownership solely by the owners of those portions. A common
75 interest community is not a condominium unless the undivided
76 interests in the common elements are vested in the unit owners.

77 [(9)] (11) "Conversion building" means a building that at any time
78 before creation of the common interest community was occupied

79 wholly or partially by persons other than purchasers and persons who
80 occupy with the consent of purchasers.

81 [(10)] (12) "Cooperative" means a common interest community in
82 which the real property is owned by an association, each of whose
83 members is entitled by virtue of his ownership interest in the
84 association to exclusive possession of a unit.

85 [(11)] (13) "Dealer" means a person who owns either six or more
86 units, or fifty per cent or more of all the units, in a common interest
87 community.

88 [(12)] (14) "Declarant" means any person or group of persons acting
89 in concert who (A) as part of a common promotional plan, offers to
90 dispose of his interest in a unit not previously disposed of or (B)
91 reserves or succeeds to any special declarant right.

92 [(13)] (15) "Declaration" means any instruments, however
93 denominated, that create a common interest community, including any
94 amendments to those instruments.

95 [(14)] (16) "Development rights" means any right or combination of
96 rights reserved by a declarant in the declaration to (A) add real
97 property to a common interest community; (B) create units, common
98 elements, or limited common elements within a common interest
99 community; (C) subdivide units or convert units into common
100 elements; or (D) withdraw real property from a common interest
101 community.

102 [(15)] (17) "Dispose" or "disposition" means a voluntary transfer to a
103 purchaser of any legal or equitable interest in a unit, but the term does
104 not include the transfer or release of a security interest.

105 [(16)] (18) "Executive board" means the body, regardless of name,
106 designated in the declaration to act on behalf of the association.

107 [(17)] (19) "Identifying number" means a symbol or address that
108 identifies only one unit in a common interest community.

109 [(18)] (20) "Leasehold common interest community" means a
110 common interest community in which all or a portion of the real
111 property is subject to a lease the expiration or termination of which
112 will terminate the common interest community or reduce its size.

113 [(19)] (21) "Limited common element" means a portion of the
114 common elements allocated by the declaration or by operation of
115 subsection (2) or (4) of section 47-221 for the exclusive use of one or
116 more but fewer than all of the units.

117 [(20)] (22) "Master association" means an organization described in
118 section 47-239, whether or not it is also an association described in
119 section 47-243, as amended by this act.

120 [(21)] (23) "Offer" or "offering" means any advertisement,
121 inducement, solicitation or attempt to encourage any person to acquire
122 any interest in a unit, other than as security for an obligation. An
123 advertisement in a newspaper or other periodical of general
124 circulation, or in any broadcast medium to the general public, of a
125 common interest community not located in this state, is not an offering
126 if the advertisement states that an offering may be made only in
127 compliance with the law of the jurisdiction in which the common
128 interest community is located.

129 [(22)] (24) "Person" means an individual, corporation, limited
130 liability company, business trust, estate, trust, partnership, association,
131 joint venture, public corporation, government, governmental
132 subdivision or agency, instrumentality or any other legal or
133 commercial entity.

134 [(23)] (25) "Planned community" means a common interest
135 community that is not a condominium or a cooperative. A
136 condominium or cooperative may be part of a planned community.

137 [(24)] (26) "Proprietary lease" means an agreement with the
138 association pursuant to which a member is entitled to exclusive
139 possession of a unit in a cooperative.

140 [(25)] (27) "Purchaser" means a person, other than a declarant or a
141 dealer, who by means of a voluntary transfer acquires a legal or
142 equitable interest in a unit other than (A) a leasehold interest,
143 including renewal options, of less than twenty years, or (B) as security
144 for an obligation.

145 [(26)] (28) "Real property" means any leasehold or other estate or
146 interest in, over, or under land, including structures, fixtures, and
147 other improvements and interests that by custom, usage, or law pass
148 with a conveyance of land though not described in the contract of sale
149 or instrument of conveyance. "Real property" includes parcels with or
150 without upper or lower boundaries, and spaces that may be filled with
151 air or water.

152 (29) "Record", used as a noun, means information that is inscribed
153 on a tangible medium or that is stored in an electronic or other
154 medium and is retrievable in perceivable form.

155 [(27)] (30) "Residential purposes" means use for dwelling or
156 recreational purposes, or both.

157 (31) "Rule" means a policy, guideline, restriction, procedure or
158 regulation of an association, however denominated, which is adopted
159 by an association pursuant to section 35 of this act, which is not set
160 forth in the declaration or bylaws and which governs the conduct of
161 persons or the use or appearance of property.

162 [(28)] (32) "Security interest" means an interest in real property or
163 personal property, created by contract or conveyance, which secures
164 payment or performance of an obligation. The term includes a lien
165 created by a mortgage, deed of trust, trust deed, security deed, contract
166 for deed, land sales contract, lease intended as security, assignment of
167 lease or rents intended as security, pledge of an ownership interest in
168 an association, and any other consensual lien or title retention contract
169 intended as security for an obligation.

170 [(29)] (33) "Special declarant rights" means rights reserved for the

171 benefit of a declarant to (A) complete improvements indicated on
172 surveys and plans filed with the declaration or, in a cooperative, to
173 complete improvements described in the public offering statement
174 pursuant to subdivision (2) of subsection (a) of section 47-264, as
175 amended by this act; (B) exercise any development right; (C) maintain
176 sales offices, management offices, signs advertising the common
177 interest community, and models; (D) use easements through the
178 common elements for the purpose of making improvements within the
179 common interest community or within real property which may be
180 added to the common interest community; (E) make the common
181 interest community subject to a master association; (F) merge or
182 consolidate a common interest community with another common
183 interest community of the same form of ownership; [or] (G) appoint or
184 remove any officer of the association or any master association or any
185 executive board member during any period of declarant control; (H)
186 control any construction, design review or aesthetic standards
187 committee or process; (I) attend meetings of the unit owners and,
188 except during an executive session, the executive board; or (J) have
189 access to the records of the association to the same extent as a unit
190 owner.

191 [(30)] (34) "Time share" means a right to occupy a unit or any of
192 several units during five or more separated time periods over a period
193 of at least five years, including renewal options, whether or not
194 coupled with an estate or interest in a common interest community or
195 a specified portion thereof.

196 [(31)] (35) "Unit" means a physical portion of the common interest
197 community designated for separate ownership or occupancy, the
198 boundaries of which are described pursuant to subdivision (5) of
199 subsection (a) of section 47-224. If a unit in a cooperative is owned by a
200 unit owner or is sold, conveyed, voluntarily or involuntarily
201 encumbered or otherwise transferred by a unit owner, the interest in
202 that unit which is owned, sold, conveyed, encumbered or otherwise
203 transferred is the right to possession of that unit under a proprietary
204 lease, coupled with the allocated interests of that unit, and the

205 association's interest in that unit is not thereby affected.

206 [(32)] (36) "Unit owner" means a declarant or other person who
207 owns a unit, or a lessee of a unit in a leasehold common interest
208 community whose lease expires simultaneously with any lease the
209 expiration or termination of which will remove the unit from the
210 common interest community, but does not include a person having an
211 interest in a unit solely as security for an obligation. In a condominium
212 or planned community, the declarant is the owner of any unit created
213 by the declaration. In a cooperative, the declarant is treated as the
214 owner of any unit to which allocated interests have been allocated
215 until that unit has been conveyed to another person.

216 Sec. 2. (NEW) (*Effective July 1, 2010*) Chapter 828 of the general
217 statutes, as amended by this act, and sections 8, 9 and 34 to 38,
218 inclusive, of this act, modify, limit and supersede the federal Electronic
219 Signatures in Global and National Commerce Act, 15 USC 7001, et seq.,
220 but do not modify, limit or supersede Section 101(c) of that act, 15 USC
221 7001(c), or authorize electronic delivery of any of the notices described
222 in Section 103(b) of that act, 15 USC 7003(b).

223 Sec. 3. Section 47-214 of the general statutes is repealed and the
224 following is substituted in lieu thereof (*Effective July 1, 2010*):

225 Except as provided in section [47-215] 47-216, as amended by this
226 act, the provisions of this chapter apply to all common interest
227 communities created within this state on or after January 1, 1984. The
228 provisions of chapter 825 do not apply to condominiums created on or
229 after January 1, 1984. Amendments to this chapter apply to all common
230 interest communities created after January 1, 1984, or subjected to this
231 chapter by amendment of the declaration of the common interest
232 community, regardless of when the amendment is adopted.

233 Sec. 4. Section 47-215 of the general statutes is repealed and the
234 following is substituted in lieu thereof (*Effective July 1, 2010*):

235 (a) Except as provided in subsection (b) of this section with respect

236 to a common interest community containing a conversion building:

237 (1) If a common interest community contains only units restricted
238 exclusively to nonresidential use:

239 (A) The common interest community is not subject to this chapter
240 unless the declaration otherwise provides;

241 (B) The declaration of such a common interest community may
242 provide that this entire chapter applies to the community, that only
243 this part and part II of this chapter apply or that only sections 47-204,
244 as amended by this act, 47-205 and 47-206 apply;

245 (C) If the declaration provides that this entire chapter applies to
246 such a common interest community, the declaration may also require,
247 subject to section 47-210, that: (i) Notwithstanding section 47-247, as
248 amended by this act, any management contract, employment contract,
249 lease of recreational or parking areas or facilities and any other
250 contract or lease between the association and a declarant or an affiliate
251 of a declarant remains effective after the declarant turns over control of
252 the association; and (ii) notwithstanding section 47-203, purchasers of
253 units must execute proxies, powers of attorney or similar devices in
254 favor of the declarant regarding particular matters enumerated in
255 those instruments.

256 (2) If a common interest community contains units restricted
257 exclusively to nonresidential purposes and other units that may be
258 used for residential purposes, that common interest community is not
259 subject to this chapter unless the units that may be used for residential
260 purposes would comprise a common interest community in the
261 absence of the nonresidential units or the declaration provides that this
262 chapter applies as provided in subparagraph (B) or (C) of subdivision
263 (1) of this subsection.

264 (3) If the declaration of a planned community that is not subject to
265 any development right provides that the annual average common
266 expense liability of all units restricted to residential purposes,

267 exclusive of optional user fees and any insurance premiums paid by
268 the association, may not exceed three hundred dollars, as adjusted
269 pursuant to section 47-213, the planned community is subject only to
270 sections 47-204, as amended by this act, 47-205 and 47-206 unless the
271 declaration provides that this entire chapter is applicable. However,
272 this exemption applies only if:

273 (A) The declarant reasonably believes in good faith that the
274 maximum annual common expense liability assessed against the units
275 will be sufficient to pay the expenses of the planned community; and

276 (B) The declaration provides that the annual common expense
277 liability may not be increased during the period of declarant control
278 without the consent of persons entitled to cast at least eighty per cent
279 of the votes in the association, including eighty per cent of the votes
280 allocated to units not owned by a declarant or an affiliate of a
281 declarant.

282 (b) In the case of a common interest community containing a
283 conversion building, sections 47-282 to 47-292, inclusive, apply
284 whether or not the common interest community is exempt from other
285 provisions of this chapter pursuant to subsection (a) of this section.
286 The provisions of sections 47-282 to 47-292, inclusive, apply to a
287 common interest community containing a conversion building created
288 on or after July 8, 1983. The provisions of sections 47-88b to 47-88g,
289 inclusive, do not apply to a condominium containing a conversion
290 building created on or after July 8, 1983.

291 (c) If a common interest community contains no more than twelve
292 units and (1) is not subject to any development rights and (2) does not
293 utilize a master association, the declarant is not required to deliver a
294 public offering statement pursuant to section 47-263, as amended by
295 this act, or 47-264, as amended by this act; resale certificates are not
296 required, as provided in section 47-270, as amended by this act, and
297 the association is not required to maintain records necessary to comply
298 with section 47-270, as amended by this act. A declarant shall not

299 divide real property into two or more common interest communities to
300 avoid the public offering statement requirements of sections 47-263, as
301 amended by this act, and 47-264, as amended by this act.

302 Sec. 5. Section 47-216 of the general statutes is repealed and the
303 following is substituted in lieu thereof (*Effective July 1, 2010*):

304 (a) Except as provided in section 47-217, sections 47-202, as
305 amended by this act, 47-204, as amended by this act, 47-205, 47-206, 47-
306 218, as amended by this act, 47-221, 47-222, as amended by this act, 47-
307 223, subsections (b), (i) and (j) of section 47-236, as amended by this act,
308 sections 47-237, as amended by this act, 47-240, 47-244, as amended by
309 this act, 47-250, as amended by this act, 47-253, 47-255, as amended by
310 this act, 47-257, as amended by this act, 47-258, as amended by this act,
311 47-260, as amended by this act, 47-270, as amended by this act, and 47-
312 278, as amended by this act, [and subsection (j) of section 47-236, and
313 section 47-202] to the extent necessary in construing any of those
314 sections, apply to all common interest communities created in this state
315 before January 1, 1984; but those sections apply only with respect to
316 events and circumstances occurring after January 1, 1984, and do not
317 invalidate existing provisions of the declaration, bylaws or surveys or
318 plans of those common interest communities.

319 (b) Section 47-210 and subsections (b) to (d), inclusive, of section 47-
320 225, as amended by this act, apply to all common interest communities
321 created in this state prior to January 1, 1984, but shall not invalidate
322 existing provisions of the declarations, bylaws or surveys or plans of
323 those common interest communities.

324 Sec. 6. Section 47-218 of the general statutes is repealed and the
325 following is substituted in lieu thereof (*Effective July 1, 2010*):

326 (a) The declaration, bylaws or surveys and plans of any common
327 interest community created before January 1, 1984, may be amended to
328 achieve any result permitted by this chapter regardless of what
329 applicable law provided before January 1, 1984.

330 (b) [An] Except as otherwise provided in subsections (i) and (j) of
331 section 47-236, as amended by this act, an amendment to the
332 declaration, bylaws or surveys and plans authorized by subsection (a)
333 of this section shall be adopted in conformity with any procedures and
334 requirements for amending the instruments specified by those
335 instruments or, if there are none, in conformity with the amendment
336 procedures of this chapter. If an amendment grants to any person any
337 rights, powers or privileges permitted by this chapter, all correlative
338 obligations, liabilities and restrictions in this chapter also apply to that
339 person.

340 Sec. 7. Section 47-219 of the general statutes is repealed and the
341 following is substituted in lieu thereof (*Effective July 1, 2010*):

342 This chapter does not apply to common interest communities or
343 units located outside this state, but the public offering statement
344 provisions of sections 47-263 to 47-269, inclusive, as amended by this
345 act, apply to all contracts for the disposition [thereof] of a unit in that
346 common interest community signed in this state by any party
347 following an offer made in this state unless exempt under subsection
348 (b) of section 47-262.

349 Sec. 8. (NEW) (*Effective July 1, 2010*) (a) An arrangement between the
350 associations for two or more common interest communities to share
351 the costs of real property taxes, insurance premiums, services,
352 maintenance or improvements of real property or other activities
353 specified in their arrangement or declarations does not create a
354 separate common interest community.

355 (b) An arrangement between an association and the owner of real
356 property that is not part of a common interest community to share the
357 costs of real property taxes, insurance premiums, services,
358 maintenance or improvements of real property or other activities
359 specified in their arrangement does not create a separate common
360 interest community, except that assessments against the units in the
361 common interest community required by the arrangement must be

362 included in the periodic budget for the common interest community,
363 and the arrangement must be disclosed in all public offering
364 statements and resale certificates required by chapter 828 of the
365 general statutes, as amended by this act, and sections 9 and 34 to 38,
366 inclusive, of this act.

367 Sec. 9. (NEW) (*Effective July 1, 2010*) A covenant that requires the
368 owners of twelve or fewer separately owned parcels of real property to
369 share costs or other obligations associated with a party wall, driveway,
370 well, septic system or other similar use does not create a common
371 interest community unless a declaration otherwise provides.

372 Sec. 10. Section 47-222 of the general statutes is repealed and the
373 following is substituted in lieu thereof (*Effective July 1, 2010*):

374 (a) All provisions of the declaration and bylaws are severable.

375 (b) The rule against perpetuities does not apply to defeat any
376 provision of the declaration or of the bylaws [.] or rules of the
377 association. [or regulations adopted pursuant to subdivision (1) of
378 subsection (a) of section 47-244.]

379 (c) In the event of a conflict between the provisions of the
380 declaration and the bylaws, the declaration prevails except to the
381 extent the declaration is inconsistent with this chapter.

382 (d) Title to a unit and common elements is not rendered
383 unmarketable or otherwise affected by reason of an insubstantial
384 failure of the declaration to comply with this chapter. Whether a
385 substantial failure impairs marketability is not affected by this chapter.

386 (e) In any case in which the surveys or plans required pursuant to
387 section 47-228, as identified in the declaration, are not recorded
388 simultaneously with the remainder of the declaration but are recorded
389 thereafter, the failure to record the survey or plans simultaneously
390 with the remainder of the declaration is an insubstantial failure of the
391 declaration to comply with this chapter.

392 Sec. 11. Section 47-225 of the general statutes is amended by adding
393 subsection (e) as follows (*Effective July 1, 2010*):

394 (NEW) (e) A lease satisfying the description in subsection (a) of this
395 section is not subject to sections 47a-1 to 47a-20e, inclusive.

396 Sec. 12. Section 47-226 of the general statutes is amended by adding
397 subsection (h) as follows (*Effective July 1, 2010*):

398 (NEW) (h) In a planned community created after January 1, 1984,
399 unless the declaration provides for a different allocation permitted
400 under this chapter, the common expenses of the association and the
401 votes in the association are allocated equally among the units.

402 Sec. 13. Section 47-232 of the general statutes is repealed and the
403 following is substituted in lieu thereof (*Effective July 1, 2010*):

404 (a) If the declaration expressly so permits, a unit may be subdivided
405 into two or more units. Subject to the provisions of the declaration and
406 any provisions of law, on application of a unit owner to subdivide a
407 unit, the association shall prepare, execute and record an amendment
408 to the declaration, including in a condominium or planned community
409 the surveys and plans, subdividing that unit.

410 (b) The amendment to the declaration shall be executed by the
411 owner of the unit to be subdivided, assign an identifying number to
412 each unit created and reallocate the allocated interests formerly
413 allocated to the subdivided unit to the new units in any reasonable
414 manner prescribed by the owner of the subdivided unit or on any
415 other basis the declaration requires.

416 Sec. 14. Section 47-235 of the general statutes is repealed and the
417 following is substituted in lieu thereof (*Effective July 1, 2010*):

418 (a) Subject to the provisions of the declaration, a declarant has such
419 an easement through the common elements as may be reasonably
420 necessary for the purpose of discharging the declarant's obligations or
421 exercising special declarant rights, whether arising under this chapter

422 or reserved in the declaration.

423 (b) [In a planned community, subject] Subject to the provisions of
424 subdivision (6) of subsection (a) of section 47-244, as amended by this
425 act, and section 47-254, as amended by this act, the unit owners have
426 an easement [(1)] in the common elements for [purposes of] access to
427 their units. [and (2)]

428 (c) Subject to the declaration and rules, the unit owners have a right
429 to use the common elements that are not limited common elements
430 and all real property that must become common elements for all
431 [other] appropriate purposes.

432 Sec. 15. Section 47-236 of the general statutes is repealed and the
433 following is substituted in lieu thereof (*Effective from passage and*
434 *applicable to common interest communities created before, on or after January*
435 *1, 1984*):

436 (a) Except in cases of amendments that may be executed by a
437 declarant under subsection (f) of section 47-228 or section 47-229, or by
438 the association under section 47-206, subsection (d) of section 47-225,
439 subsection (c) of section 47-227, subsection (a) of section 47-231 or
440 section 47-232, or by certain unit owners under subsection (b) of
441 section 47-227, subsection (a) of section 47-231, subsection (b) of section
442 47-232, subsection (b) of section 47-237 or section 47-242, and except as
443 limited by subsections (d) and (f) of this section, the declaration,
444 including any surveys and plans, may be amended only by vote or
445 agreement of unit owners of units to which at least sixty-seven per cent
446 of the votes in the association are allocated, or any larger majority the
447 declaration specifies. The declaration may specify a smaller number
448 only if all of the units are restricted exclusively to nonresidential use.

449 (b) No action to challenge the validity of an amendment adopted by
450 the association pursuant to this section may be brought more than one
451 year after the amendment is recorded.

452 (c) Every amendment to the declaration shall be recorded in every

453 town in which any portion of the common interest community is
454 located and is effective only on recordation. An amendment, except an
455 amendment pursuant to subsection (a) of section 47-231, shall be
456 indexed in the grantee's index in the name of the common interest
457 community and the association and in the grantor's index in the name
458 of the parties executing the amendment.

459 (d) Except in the case of the exercise of development rights pursuant
460 to section 47-229 or to the extent otherwise expressly permitted or
461 required by other provisions of this chapter, with respect to a common
462 interest community, whether created before, on or after January 1,
463 1984, no amendment may create or increase special declarant rights,
464 increase the number of units or change the boundaries of any unit or
465 the allocated interests of a unit, in the absence of unanimous consent of
466 the unit owners.

467 (e) Amendments to the declaration required by this chapter to be
468 recorded by the association shall be prepared, executed, recorded and
469 certified on behalf of the association by any officer of the association
470 designated for that purpose or, in the absence of designation, by the
471 president of the association.

472 (f) By vote or agreement of unit owners of units to which at least
473 eighty per cent of the votes in the association are allocated, or any
474 larger percentage specified in the declaration, an amendment to the
475 declaration may prohibit or materially restrict the permitted uses or
476 occupancy of a unit or the number or other qualifications of persons
477 who may occupy units. The amendment must provide reasonable
478 protection for a use or occupancy permitted at the time the
479 amendment was adopted.

480 (g) The time limits specified in the declaration pursuant to
481 subdivision (8) of subsection (a) of section 47-224, within which
482 reserved development rights must be exercised may be extended, the
483 number of units may be increased and new development rights or
484 other special declarant rights may be created by amendment to the

485 declaration if persons entitled to cast at least eighty per cent of the
486 votes in the association, including eighty per cent of the votes allocated
487 to units not owned by the declarant, agree to that action. The
488 amendment must identify the association or other persons who hold
489 any new rights that are created. Written notice of the proposed
490 amendment to the declaration must be delivered to all persons holding
491 development rights or security interests in those rights.
492 Notwithstanding the provisions of subsection (c) of this section, the
493 amendment to the declaration is effective thirty days after the
494 amendment is recorded and notice is delivered unless any of the
495 persons entitled to notice under this subsection records a written
496 objection within the thirty-day period, in which case the amendment is
497 void, or unless all of the persons entitled to notice under this
498 subsection consent in writing at the time the amendment is recorded,
499 in which case the amendment is effective when recorded.

500 (h) Provisions in the declaration creating special declarant rights
501 may not be amended without the consent of the declarant.

502 (i) If any provision of this chapter or of the declaration or bylaws of
503 any common interest community [subject to this chapter] created
504 before, on or after January 1, 1984, requires the consent of a person
505 holding a security interest in a unit as a condition to the effectiveness
506 of any amendment to the declaration, that consent shall be deemed
507 granted if [no written] a refusal to consent in a record is not received
508 by the association within forty-five days after the association delivers
509 notice of the proposed amendment to the holder of the interest or
510 mails the notice to the holder of the interest by certified mail, return
511 receipt requested. The association may rely on the last-recorded
512 security interest of record in delivering or mailing notice to the holder
513 of that interest. Notwithstanding any provision of this section, an
514 amendment to the declaration that affects the priority of a holder's
515 security interest, other than an amendment regarding the priority of
516 the association's lien authorized by section 47-258, as amended by this
517 act, or the ability of that holder to foreclose its security interest may not
518 be adopted without that holder's consent in a record if the declaration

519 requires that consent as a condition to the effectiveness of the
520 amendment.

521 (j) If the declaration of a common interest community, whether
522 created before or after January 1, 1984, contains a provision requiring
523 that amendments relating to the use of units, the relocation of
524 boundaries between units and common elements or the extension or
525 creation of development rights may be adopted only by the vote or
526 agreement of unit owners of units to which more than eighty per cent
527 of the votes in the association are allocated, such a proposed
528 amendment shall be deemed approved if:

529 (1) (A) Unit owners of units to which more than eighty per cent of
530 the votes in the association are allocated vote for or agree to the
531 proposed amendment;

532 (B) No unit owner votes against the proposed amendment; and

533 (C) Notice of the proposed amendment is delivered to the unit
534 owners holding the votes in the association that have not voted or
535 agreed to the proposed amendment and no written objection of the
536 proposed amendment is received by the association within thirty days
537 after the association delivers notice; or

538 (2) Unit owners of units to which more than eighty per cent of the
539 votes in the association are allocated vote for or agree to the proposed
540 amendment but at least one unit owner objects to the proposed
541 amendment and, pursuant to an action brought by the association in
542 the Superior Court against all objecting unit owners, the court finds
543 that the objecting unit owner or owners do not have a unique minority
544 interest, different in kind from the interests of the other unit owners,
545 that the voting requirement of the declaration was intended to protect.

546 Sec. 16. Section 47-236 of the general statutes, as amended by section
547 15 of this act, is repealed and the following is substituted in lieu
548 thereof (*Effective July 1, 2010*):

549 (a) Except in cases of amendments that may be executed by a
550 declarant under subsection (f) of section 47-228 or section 47-229, or by
551 the association under section 47-206, subsection (d) of section 47-225,
552 subsection (c) of section 47-227, subsection (a) of section 47-231 or
553 section 47-232, as amended by this act, or by certain unit owners under
554 subsection (b) of section 47-227, subsection (a) of section 47-231,
555 subsection (b) of section 47-232, as amended by this act, subsection (b)
556 of section 47-237, as amended by this act, or section 47-242, and except
557 as limited by subsections (d) and (f) of this section, the declaration,
558 including any surveys and plans, may be amended only as follows:

559 (1) ~~[by]~~ By vote or agreement of unit owners of units to which at
560 least sixty-seven per cent of the votes in the association are allocated,
561 ~~[or any larger majority the declaration specifies.]~~ unless the declaration
562 specifies either a larger percentage or a smaller percentage, but not less
563 than a majority, for all amendments or for specific subjects of
564 amendment;

565 (2) The declaration may provide that all amendments or specific
566 subjects of amendment may be approved by the unit owners of units
567 having any of the percentages of votes, as provided in subdivision (1)
568 of this subsection, of a specified group of units that would be affected
569 by the amendment, rather than all of the units in the common interest
570 community; or

571 (3) The declaration may specify a smaller number only if all of the
572 units are restricted exclusively to nonresidential use.

573 (b) No action to challenge the validity of an amendment adopted by
574 the association pursuant to this section may be brought more than one
575 year after the amendment is recorded.

576 (c) Every amendment to the declaration shall be recorded in every
577 town in which any portion of the common interest community is
578 located and is effective only on recordation. An amendment, except an
579 amendment pursuant to subsection (a) of section 47-231, shall be
580 indexed in the grantee's index in the name of the common interest

581 community and the association and in the grantor's index in the name
582 of the parties executing the amendment.

583 (d) Except in the case of the exercise of development rights pursuant
584 to section 47-229 or to the extent otherwise expressly permitted or
585 required by other provisions of this chapter, with respect to a common
586 interest community, whether created before, on or after January 1,
587 1984, no amendment may create or increase special declarant rights,
588 increase the number of units or change the boundaries of any unit or
589 the allocated interests of a unit, in the absence of unanimous consent of
590 the unit owners.

591 (e) Amendments to the declaration required by this chapter to be
592 recorded by the association shall be prepared, executed, recorded and
593 certified on behalf of the association by any officer of the association
594 designated for that purpose or, in the absence of designation, by the
595 president of the association.

596 (f) [By vote or agreement of unit owners of units to which at least
597 eighty per cent of the votes in the association are allocated, or any
598 larger percentage specified in the declaration, an] An amendment to
599 the declaration may prohibit or materially restrict the permitted uses
600 or occupancy of a unit or the number or other qualifications of persons
601 who may occupy units [. The] only by vote or agreement of unit
602 owners of units to which at least eighty per cent of the votes in the
603 association are allocated, unless the declaration specifies that a larger
604 percentage of unit owners must vote or agree to that amendment or
605 that such an amendment may be approved by the unit owners of units
606 having at least eighty per cent of the votes of a specified group of units
607 that would be affected by the amendment. An amendment approved
608 under this subsection must provide reasonable protection for a use or
609 occupancy permitted at the time the amendment was adopted.

610 (g) The time limits specified in the declaration pursuant to
611 subdivision (8) of subsection (a) of section 47-224, within which
612 reserved development rights and special declarant rights must be

613 exercised may be extended, the number of units may be increased and
614 new development rights or other special declarant rights may be
615 created by amendment to the declaration if persons entitled to cast at
616 least eighty per cent of the votes in the association, including eighty
617 per cent of the votes allocated to units not owned by the declarant,
618 agree to that action. The amendment must identify the association or
619 other persons who hold any new rights that are created. [Written
620 notice] Notice of the proposed amendment to the declaration must be
621 delivered in a record to all persons holding development rights or
622 security interests in those rights. Notwithstanding the provisions of
623 subsection (c) of this section, the amendment to the declaration is
624 effective thirty days after the amendment is recorded and notice is
625 delivered unless any of the persons entitled to notice under this
626 subsection records [a written] an objection in a record within the
627 thirty-day period, in which case the amendment is void, or unless all of
628 the persons entitled to notice under this subsection consent in [writing]
629 a record at the time the amendment is recorded, in which case the
630 amendment is effective when recorded.

631 (h) Provisions in the declaration creating special declarant rights
632 that have not expired may not be amended without the consent of the
633 declarant.

634 (i) If any provision of this chapter or of the declaration or bylaws of
635 any common interest community created before, on or after January 1,
636 1984, requires the consent of a person holding a security interest in a
637 unit as a condition to the effectiveness of any amendment to the
638 declaration, that consent shall be deemed granted if a refusal to
639 consent in a record is not received by the association within forty-five
640 days after the association delivers notice of the proposed amendment
641 to the holder of the interest or mails the notice to the holder of the
642 interest by certified mail, return receipt requested. The association may
643 rely on the last-recorded security interest of record in delivering or
644 mailing notice to the holder of that interest. Notwithstanding any
645 provision of this section, an amendment to the declaration that affects
646 the priority of a holder's security interest, other than an amendment

647 regarding the priority of the association's lien authorized by section 47-
648 258, as amended by this act, or the ability of that holder to foreclose its
649 security interest may not be adopted without that holder's consent in a
650 record if the declaration requires that consent as a condition to the
651 effectiveness of the amendment.

652 (j) If the declaration or bylaws of a common interest community,
653 whether created before, on or after January 1, 1984, contains a
654 provision requiring that amendments [relating to the use of units, the
655 relocation of boundaries between units and common elements or the
656 extension or creation of development rights] to the declaration or
657 bylaws, other than amendments described in subsection (d) of this
658 section, may be adopted only by the vote or agreement of unit owners
659 of units to which more than eighty per cent of the votes in the
660 association are allocated, such a proposed amendment shall be deemed
661 approved if:

662 (1) (A) Unit owners of units to which more than eighty per cent of
663 the votes in the association are allocated vote for or agree to the
664 proposed amendment;

665 (B) No unit owner votes against the proposed amendment; and

666 (C) Notice of the proposed amendment is delivered to the unit
667 owners holding the votes in the association that have not voted or
668 agreed to the proposed amendment and no [written] objection [of] in a
669 record to the proposed amendment is received by the association
670 within thirty days after the association delivers notice; or

671 (2) Unit owners of units to which more than eighty per cent of the
672 votes in the association are allocated vote for or agree to the proposed
673 amendment but at least one unit owner objects to the proposed
674 amendment and, pursuant to an action brought by the association in
675 the Superior Court against all objecting unit owners, the court finds
676 that the objecting unit owner or owners do not have a unique minority
677 interest, different in kind from the interests of the other unit owners,
678 that the voting requirement of the declaration was intended to protect.

679 Sec. 17. Section 47-237 of the general statutes is repealed and the
680 following is substituted in lieu thereof (*Effective July 1, 2010*):

681 (a) Except in the case of a taking of all the units by eminent domain,
682 [or in the case of] foreclosure against an entire cooperative of a security
683 interest that has priority over the declaration, or in the circumstances
684 described in subsection (m) of this section, a common interest
685 community may be terminated only by agreement of unit owners of
686 units to which at least eighty per cent of the votes in the association are
687 allocated, or any larger percentage the declaration specifies, and with
688 any other approvals required by the declaration. The declaration may
689 specify a smaller percentage, but in no event less than a majority of the
690 votes in the association, only if all of the units are restricted exclusively
691 to nonresidential uses.

692 (b) An agreement to terminate shall be evidenced by the execution
693 of a termination agreement, or ratifications thereof, in the same
694 manner as a deed, by the requisite number of unit owners. The
695 termination agreement shall specify a date after which the agreement
696 will be void unless it is recorded before that date. A termination
697 agreement and all ratifications thereof shall be recorded in every town
698 in which a portion of the common interest community is situated and
699 is effective only on recordation.

700 (c) In the case of a condominium or planned community containing
701 only units having horizontal boundaries described in the declaration, a
702 termination agreement may provide that all of the common elements
703 and units of the common interest community shall be sold following
704 termination. If, pursuant to the agreement, any real property in the
705 common interest community is to be sold following termination, the
706 termination agreement shall set forth the minimum terms of the sale.

707 (d) In the case of a condominium or planned community containing
708 any units not having horizontal boundaries described in the
709 declaration, a termination agreement may provide for sale of the
710 common elements, but it may not require that the units be sold

711 following termination, unless the declaration as originally recorded
712 provided otherwise or all the unit owners consent to the sale.

713 (e) The association, on behalf of the unit owners, may contract for
714 the sale of real property in a common interest community, but the
715 contract is not binding on the unit owners until approved pursuant to
716 subsections (a) and (b) of this section. If any real property is to be sold
717 following termination, title to that real property, on termination, vests
718 in the association as trustee for the holders of all interests in the units.
719 Thereafter, the association has all powers necessary and appropriate to
720 effect the sale. Until the sale has been concluded and the proceeds
721 thereof distributed, the association continues in existence with all
722 powers it had before termination. Proceeds of the sale shall be
723 distributed to unit owners and lien holders, as their interests may
724 appear, in accordance with subsections (h), (i) and (j) of this section.
725 Unless otherwise specified in the termination agreement, as long as the
726 association holds title to the real property, each unit owner and the
727 unit owner's successors in interest have an exclusive right to
728 occupancy of the portion of the real property that formerly constituted
729 the unit. During the period of that occupancy, each unit owner and the
730 unit owner's successors in interest remain liable for all assessments
731 and other obligations imposed on unit owners by this chapter or the
732 declaration.

733 (f) In a condominium or planned community, if the real property
734 constituting the common interest community is not to be sold
735 following termination, title to the common elements and, in a common
736 interest community containing only units having horizontal
737 boundaries described in the declaration, title to all the real property in
738 the common interest community, vest in the unit owners on
739 termination as tenants in common in proportion to their respective
740 interests as provided in subsection (j) of this section, and liens on the
741 units shift accordingly. While the tenancy in common exists, each unit
742 owner and the unit owner's successors in interest have an exclusive
743 right to occupancy of the portion of the real property that formerly
744 constituted the unit.

745 (g) Following termination of the common interest community, the
746 proceeds of any sale of real property, together with the assets of the
747 association, are held by the association as trustee for unit owners and
748 holders of liens on the units as their interests may appear.

749 (h) Following termination of a condominium or planned
750 community, creditors of the association holding liens on the units,
751 which were recorded before termination, may enforce those liens in the
752 same manner as any lien holder. All other creditors of the association
753 are to be treated as if they had perfected liens on the units immediately
754 before termination.

755 (i) In a cooperative, the declaration may provide that all creditors of
756 the association have priority over any interests of unit owners and
757 creditors of unit owners. In that event, following termination, creditors
758 of the association holding liens on the cooperative which were
759 recorded before termination may enforce their liens in the same
760 manner as any lien holder, and any other creditor of the association is
761 to be treated as if he had perfected a lien against the cooperative
762 immediately before termination. Unless the declaration provides that
763 all creditors of the association have that priority:

764 (1) The lien of each creditor of the association which was perfected
765 against the association before termination becomes, on termination, a
766 lien against each unit owner's interest in the unit as of the date the lien
767 was perfected;

768 (2) Any other creditor of the association is to be treated on
769 termination as if the creditor had perfected a lien against each unit
770 owner's interest immediately before termination;

771 (3) The amount of the lien of an association's creditor described in
772 subdivisions (1) and (2) of this subsection against each of the unit
773 owners' interest shall be proportionate to the ratio which each unit's
774 common expense liability bears to the common expense liability of all
775 of the units;

776 (4) The lien of each creditor of each unit owner which was perfected
777 before termination continues as a lien against that unit owner's unit as
778 of the date the lien was perfected; and

779 (5) The assets of the association shall be distributed to all unit
780 owners and all lien holders as their interests may appear in the order
781 described above. Creditors of the association are not entitled to
782 payment from any unit owner in excess of the amount of the creditor's
783 lien against that unit owner's interest.

784 (j) The respective interests of unit owners referred to in subsections
785 (e), (f), (g), (h) and (i) of this section are as follows:

786 (1) Except as provided in subdivision (2) of this subsection, the
787 respective interests of unit owners are the fair market values of their
788 units, allocated interests and any limited common elements
789 immediately before the termination, as determined by one or more
790 independent appraisers selected by the association. The decision of the
791 independent appraisers shall be distributed to the unit owners and
792 becomes final unless disapproved within thirty days after distribution
793 by unit owners of units to which twenty-five per cent of the votes in
794 the association are allocated. The proportion of any unit owner's
795 interest to that of all unit owners is determined by dividing the fair
796 market value of that unit owner's unit and its allocated interests by the
797 total fair market values of all the units and their allocated interests.

798 (2) If any unit or any limited common element is destroyed to the
799 extent that an appraisal of the fair market value thereof before
800 destruction cannot be made, the interests of all unit owners are their
801 respective common expense liabilities immediately before the
802 termination.

803 (k) In a condominium or planned community, except as provided in
804 subsection (l) of this section, foreclosure or enforcement of a lien or
805 encumbrance against the entire common interest community does not
806 terminate, of itself, the common interest community, and foreclosure
807 or enforcement of a lien or encumbrance against a portion of the

808 common interest community, other than withdrawable real property,
809 does not withdraw that portion from the common interest community.
810 Foreclosure or enforcement of a lien or encumbrance against
811 withdrawable real property, or against common elements that have
812 been subjected to a security interest by the association under section
813 47-254, as amended by this act, does not withdraw, of itself, that real
814 property from the common interest community, but the person taking
815 title thereto may require from the association, on request, an
816 amendment excluding the real property from the common interest
817 community.

818 (l) In a condominium or planned community, if a lien or
819 encumbrance against a portion of the real property comprising the
820 common interest community has priority over the declaration and the
821 lien or encumbrance has not been partially released, the parties
822 foreclosing the lien or encumbrance, on foreclosure, may record an
823 instrument excluding the real property subject to that lien or
824 encumbrance from the common interest community.

825 (m) If substantially all the units in a common interest community
826 have been destroyed or abandoned or are uninhabitable and the
827 available methods for giving notice under section 34 of this act of a
828 meeting of unit owners to consider termination under this section will
829 not likely result in receipt of the notice, the executive board or any
830 other interested person may commence an action in the superior court
831 seeking to terminate the common interest community. During the
832 pendency of the action, the court may issue whatever orders it
833 considers appropriate, including appointment of a receiver. After a
834 hearing, the court may terminate the common interest community or
835 reduce its size pursuant to this section, notwithstanding that eighty per
836 cent of the unit owners did not vote or agree to that action, and may
837 issue any other order the court considers to be in the best interest of
838 the unit owners and persons holding a property interest in the
839 common interest community.

840 Sec. 18. Section 47-241a of the general statutes is repealed and the

841 following is substituted in lieu thereof (*Effective July 1, 2010*):

842 (a) The declaration for a common interest community may state that
843 it is a master planned community if the declarant has reserved the
844 development right to create at least five hundred units that may be
845 used for residential purposes, and at the time of the reservation such
846 declarant owns or controls more than five hundred acres on which the
847 units may be built.

848 (b) If the requirements of subsection (a) of this section are satisfied,
849 the declaration for the master planned community need not state a
850 maximum number of units and need not contain any of the
851 information required by subdivisions (3) to (14), inclusive, of
852 subsection (a) of section 47-224 until the declaration is amended under
853 subsection (c) of this section.

854 (c) When each unit in a master planned community is conveyed to a
855 purchaser, the declaration must contain (1) a sufficient legal
856 description of the unit and all portions of the master planned
857 community in which any other units have been conveyed to a
858 purchaser, and (2) all the information required by subdivisions (3) to
859 (14), inclusive, of subsection (a) of section 47-224 with respect to that
860 real property.

861 (d) The only real property in a master planned community which is
862 subject to this chapter are units that have been declared or which are
863 being offered for sale and any other real property described pursuant
864 to subsection (c) of this section. Other real property that is or may
865 become part of the master planned community is not subject to the
866 provisions of this chapter but is subject to any other restrictions and
867 limitations that appear of record.

868 (e) If the public offering statement conspicuously identifies the fact
869 that the community is a master planned community, the disclosure
870 requirements contained in sections 47-262 to 47-281, inclusive, as
871 amended by this act, apply only with respect to units that have been
872 declared or are being offered for sale in connection with the public

873 offering statement and to the real property described pursuant to
874 subsection (c) of this section.

875 (f) Limitations in this chapter on the addition of unspecified real
876 property do not apply to a master planned community.

877 (g) The common interest community loses its status as a master
878 planned community if the aggregate amount of land which is either
879 subject to the declaration or owned or contractually controlled by the
880 declarant ceases to total at least five hundred acres.

881 (h) The period of declarant control of the association for a master
882 planned community terminates in accordance with any conditions
883 specified in the declaration or otherwise at the time the declarant, in a
884 recorded instrument and after giving notice in a record to all unit
885 owners, voluntarily surrenders all rights to control the activities of the
886 association.

887 Sec. 19. Section 47-243 of the general statutes is repealed and the
888 following is substituted in lieu thereof (*Effective July 1, 2010*):

889 A unit owners' association shall be organized no later than the date
890 the first unit in the common interest community is conveyed. The
891 membership of the association at all times shall consist exclusively of
892 all unit owners or, following termination of the common interest
893 community, of all former unit owners entitled to distributions of
894 proceeds under section 47-237, as amended by this act, or their heirs,
895 successors or assigns. The association shall have an executive board.
896 The association shall be organized as a [profit or nonprofit] business or
897 nonstock corporation, trust, limited liability company, partnership, [or]
898 unincorporated association or any other form of organization
899 authorized by the law of this state.

900 Sec. 20. Subsection (a) of section 47-244 of the general statutes is
901 repealed and the following is substituted in lieu thereof (*Effective from*
902 *passage and applicable to common interest communities created before, on or*
903 *after January 1, 1984*):

904 (a) Except as provided in subsection (b) of this section, and subject
905 to the provisions of the declaration, the association, even if
906 unincorporated; [, may:]

907 (1) [Adopt] Shall adopt and may amend bylaws, and may adopt and
908 amend rules; [and regulations;]

909 (2) [Adopt] Shall adopt and may amend budgets, [for revenues,
910 expenditures and reserves and] may adopt and amend special
911 assessments, may collect assessments for common expenses from unit
912 owners and may invest funds of the association;

913 (3) [Hire] May hire and discharge managing agents and other
914 employees, agents and independent contractors;

915 (4) [Institute] May institute, defend or intervene in litigation or in
916 arbitration, mediation or administrative proceedings in its own name
917 on behalf of itself or two or more unit owners on matters affecting the
918 common interest community, subject to section 38 of this act;

919 (5) [Make] May make contracts and incur liabilities;

920 (6) [Regulate] May regulate the use, maintenance, repair,
921 replacement and modification of common elements;

922 (7) [Cause] May cause additional improvements to be made as a
923 part of the common elements;

924 (8) [Acquire] May acquire, hold, encumber and convey in its own
925 name any right, title or interest to real property or personal property,
926 but (A) common elements in a condominium or planned community
927 may be conveyed or subjected to a security interest only pursuant to
928 section 47-254, as amended by this act, and (B) part of a cooperative
929 may be conveyed, or all or part of a cooperative may be subjected to a
930 security interest, only pursuant to section 47-254, as amended by this
931 act;

932 (9) [Grant] May grant easements, leases, licenses and concessions

933 through or over the common elements;

934 (10) [Impose] May impose and receive any payments, fees or
935 charges for the use, rental or operation of the common elements, other
936 than limited common elements described in subsections (2) and (4) of
937 section 47-221, and for services provided to unit owners;

938 (11) [Impose] May impose charges or interest or both for late
939 payment of assessments and, after notice and an opportunity to be
940 heard, levy reasonable fines for violations of the declaration, bylaws,
941 rules and regulations of the association;

942 (12) [Impose] May impose reasonable charges for the preparation
943 and recordation of amendments to the declaration, resale certificates
944 required by section 47-270, as amended by this act, or statements of
945 unpaid assessments;

946 (13) [Provide] May provide for the indemnification of its officers
947 and executive board and maintain directors' and officers' liability
948 insurance;

949 (14) [Assign] Subject to subsection (d) of section 37 of this act, may
950 assign its right to future income, including the right to receive common
951 expense assessments; [, but only to the extent the declaration expressly
952 so provides;]

953 (15) [Exercise] May exercise any other powers conferred by the
954 declaration or bylaws;

955 (16) [Exercise] May exercise all other powers that may be exercised
956 in this state by legal entities of the same type as the association;

957 (17) [Exercise] May exercise any other powers necessary and proper
958 for the governance and operation of the association; [and]

959 (18) [Require] May require, by regulation, that disputes between the
960 executive board and unit owners or between two or more unit owners
961 regarding the common interest community must be submitted to

962 nonbinding alternative dispute resolution in the manner described in
963 the regulation as a prerequisite to commencement of a judicial
964 proceeding; and

965 (19) May suspend any right or privilege of a unit owner who fails to
966 pay an assessment, but may not:

967 (A) Deny a unit owner or other occupant access to the owner's unit
968 or its limited common elements;

969 (B) Suspend a unit owner's right to vote or participate in meetings of
970 the association;

971 (C) Prevent a unit owner from seeking election as a director or
972 officer of the association; or

973 (D) Withhold services provided to a unit or a unit owner by the
974 association if the effect of withholding the service would be to
975 endanger the health, safety or property of any person.

976 Sec. 21. Section 47-244 of the general statutes, as amended by section
977 20 of this act, is repealed and the following is substituted in lieu
978 thereof (*Effective July 1, 2010*):

979 (a) Except as provided in subsection (b) of this section, and subject
980 to the provisions of the declaration, the association, even if
981 unincorporated;

982 (1) Shall adopt and may amend bylaws, and may adopt and amend
983 rules;

984 (2) Shall adopt and may amend budgets, may adopt and amend
985 special assessments, may collect assessments for common expenses
986 from unit owners and may invest funds of the association;

987 (3) May hire and discharge managing agents and other employees,
988 agents and independent contractors;

989 (4) May institute, defend or intervene in litigation or in arbitration,

990 mediation or administrative proceedings in its own name on behalf of
991 itself or two or more unit owners on matters affecting the common
992 interest community, subject to section 38 of this act;

993 (5) May make contracts and incur liabilities;

994 (6) May regulate the use, maintenance, repair, replacement and
995 modification of common elements;

996 (7) May cause additional improvements to be made as a part of the
997 common elements;

998 (8) May acquire, hold, encumber and convey in its own name any
999 right, title or interest to real property or personal property, but (A)
1000 common elements in a condominium or planned community may be
1001 conveyed or subjected to a security interest only pursuant to section
1002 47-254, as amended by this act, and (B) part of a cooperative may be
1003 conveyed, or all or part of a cooperative may be subjected to a security
1004 interest, only pursuant to section 47-254, as amended by this act;

1005 (9) May grant easements, leases, licenses and concessions through or
1006 over the common elements;

1007 (10) May impose and receive any payments, fees or charges for the
1008 use, rental or operation of the common elements, other than limited
1009 common elements described in subsections (2) and (4) of section 47-
1010 221, and for services provided to unit owners;

1011 (11) May impose charges or interest or both for late payment of
1012 assessments and, after notice and an opportunity to be heard, levy
1013 reasonable fines for violations of the declaration, bylaws, rules and
1014 regulations of the association;

1015 (12) May impose reasonable charges for the preparation and
1016 recordation of amendments to the declaration, resale certificates
1017 required by section 47-270, as amended by this act, or statements of
1018 unpaid assessments;

1019 (13) May provide for the indemnification of its officers and
1020 executive board and maintain directors' and officers' liability
1021 insurance;

1022 (14) Subject to subsection (d) of section 37 of this act, may assign its
1023 right to future income, including the right to receive common expense
1024 assessments; [, but only to the extent the declaration expressly so
1025 provides;]

1026 (15) May exercise any other powers conferred by the declaration or
1027 bylaws;

1028 (16) May exercise all other powers that may be exercised in this state
1029 by legal entities of the same type as the association;

1030 (17) May exercise any other powers necessary and proper for the
1031 governance and operation of the association;

1032 (18) May require, by regulation, that disputes between the executive
1033 board and unit owners or between two or more unit owners regarding
1034 the common interest community must be submitted to nonbinding
1035 alternative dispute resolution in the manner described in the
1036 regulation as a prerequisite to commencement of a judicial proceeding;
1037 and

1038 (19) May suspend any right or privilege of a unit owner who fails to
1039 pay an assessment, but may not:

1040 (A) Deny a unit owner or other occupant access to the owner's unit
1041 or its limited common elements;

1042 (B) Suspend a unit owner's right to vote or participate in meetings of
1043 the association;

1044 (C) Prevent a unit owner from seeking election as a director or
1045 officer of the association; or

1046 (D) Withhold services provided to a unit or a unit owner by the

1047 association if the effect of withholding the service would be to
1048 endanger the health, safety or property of any person.

1049 (b) The declaration may not [impose limitations on] limit the power
1050 of the association, beyond the limit authorized in subdivision (18) of
1051 subsection (a) of this section, to: [deal]

1052 (1) Deal with the declarant [which are] if the limit is more restrictive
1053 than the [limitations] limit imposed on the power of the association to
1054 deal with other persons; or

1055 (2) Institute litigation or an arbitration, mediation or administrative
1056 proceeding against any person, except that the association shall
1057 comply with section 38 of this act, if applicable, before instituting any
1058 proceeding described in subsection (a) of section 38 of this act, in
1059 connection with construction defects.

1060 (c) The executive board promptly shall provide notice to the unit
1061 owners of any legal proceeding in which the association is a party
1062 other than proceedings involving enforcement of rules, recovery of
1063 unpaid assessments or other sums due the association, or defense of
1064 the association's lien on a unit in a foreclosure action commenced by a
1065 third party.

1066 [(c) (1) Unless otherwise permitted by the declaration or this
1067 chapter, an association may adopt rules and regulations that affect the
1068 use or occupancy of units that may be used for residential purposes
1069 only to:

1070 (A) Prevent any use of a unit which violates the declaration;

1071 (B) Regulate any occupancy of a unit which violates the declaration
1072 or adversely affects the use and enjoyment of other units or the
1073 common elements by other unit owners; or

1074 (C) Restrict the leasing of residential units to the extent those rules
1075 are reasonably designed to meet first mortgage underwriting
1076 requirements of institutional lenders who regularly purchase or insure

1077 first mortgages on units in common interest communities, provided no
1078 such restrictions shall be enforceable unless notice thereof is recorded
1079 on the land records of each town in which any part of the common
1080 interest community is located. Such notice shall be indexed in the
1081 grantor index of such land records in the name of the association.

1082 (2) Except as provided in subdivision (1) of this subsection, the
1083 association may not regulate any use or occupancy of units.]

1084 (d) If a tenant of a unit owner violates the declaration, bylaws or
1085 rules and regulations of the association, in addition to exercising any of
1086 its powers against the unit owner, the association may:

1087 (1) Exercise directly against the tenant the powers described in
1088 subdivision (11) of subsection (a) of this section;

1089 (2) After giving notice to the tenant and the unit owner and an
1090 opportunity to be heard, levy reasonable fines against the tenant or
1091 unit owner, or both, for the violation; and

1092 (3) Enforce any other rights against the tenant for the violation
1093 which the unit owner as landlord could lawfully have exercised under
1094 the lease, including any such right to bring a summary process action
1095 under chapter 832.

1096 (e) The rights [granted under] referred to in subdivision (3) of
1097 subsection (d) of this section may only be exercised if the tenant or unit
1098 owner fails to cure the violation within ten days after the association
1099 notifies the tenant and unit owner of that violation.

1100 (f) Unless a lease otherwise provides, this section does not:

1101 (1) Affect rights that the unit owner has to enforce the lease or that
1102 the association has under other law; or

1103 (2) Permit the association to enforce a lease to which it is not a party
1104 except to the extent that there is a violation of the declaration, bylaws
1105 or rules. [and regulations.]

1106 (g) The executive board may determine whether to take
1107 enforcement action by exercising the association's power to impose
1108 sanctions or commencing an action for a violation of the declaration,
1109 bylaws and rules, including whether to compromise any claim for
1110 unpaid assessments or other claim made by or against it. The executive
1111 board does not have a duty to take enforcement action if it determines
1112 that, under the facts and circumstances presented:

1113 (1) The association's legal position does not justify taking any or
1114 further enforcement action;

1115 (2) The covenant, restriction or rule being enforced is, or is likely to
1116 be construed as, inconsistent with law;

1117 (3) Although a violation may exist or may have occurred, it is not so
1118 material as to be objectionable to a reasonable person or to justify
1119 expending the association's resources; or

1120 (4) It is not in the association's best interests to pursue an
1121 enforcement action.

1122 (h) The executive board's decision under subsection (g) of this
1123 section not to pursue enforcement under one set of circumstances does
1124 not prevent the executive board from taking enforcement action under
1125 another set of circumstances, except that the executive board may not
1126 be arbitrary or capricious in taking enforcement action.

1127 Sec. 22. Section 47-245 of the general statutes is repealed and the
1128 following is substituted in lieu thereof (*Effective July 1, 2010*):

1129 (a) Except as provided in the declaration, the bylaws, subsection (b)
1130 of this section, or other provisions of this chapter, the executive board
1131 may act in all instances on behalf of the association. In the performance
1132 of their duties, officers and members of the executive board appointed
1133 by the declarant shall exercise the degree of care and loyalty to the
1134 association required of a trustee and officers and members of the
1135 executive board not appointed by a declarant shall exercise the degree

1136 of care and loyalty to the association required of an officer or director
1137 of a corporation organized under chapter 602, and are subject to the
1138 conflict of interest rules governing directors and officers under chapter
1139 602. The standards of care and loyalty described in this section apply
1140 regardless of the form in which the association is organized.

1141 (b) The executive board may not: [act on behalf of the association to
1142 amend]

1143 (1) Amend the declaration, [to terminate] except as provided in
1144 section 47-236, as amended by this act;

1145 (2) Terminate the common interest community; [or to elect]

1146 (3) Elect members of the executive board, except that the executive
1147 board may fill vacancies in its membership for the unexpired portion
1148 of any term or, if earlier, until the next regularly scheduled election of
1149 executive board members; or [determine]

1150 (4) Determine the qualifications, powers and duties, or terms of
1151 office of executive board members. [, but the executive board may fill
1152 vacancies in its membership for the unexpired portion of any term.]

1153 (c) [Notwithstanding any provision of the declaration or bylaws to
1154 the contrary, within thirty days after adoption of any proposed budget
1155 for the common interest community, the executive board shall provide
1156 a summary of the proposed budget to all the unit owners and shall set
1157 a date for a meeting of the unit owners to consider ratification of the
1158 proposed budget not less than fourteen or more than thirty days after
1159 hand-delivery or mailing of the summary. At such meeting, or on a
1160 day prior to such meeting, the executive board shall provide a
1161 reasonable opportunity for all unit owners to express their views
1162 concerning the proposed budget before its ratification. At least one
1163 copy of the proposed budget shall be available for inspection at such
1164 meeting. Unless at such meeting a majority of all unit owners, or any
1165 larger vote specified in the declaration, reject the proposed budget, the
1166 budget is ratified, whether or not a quorum is present. In the event the

1167 proposed budget is rejected, the periodic budget last ratified by the
1168 unit owners shall be continued until such time as the unit owners
1169 ratify a subsequent budget proposed by the executive board as
1170 provided in this subsection] The executive board shall adopt budgets
1171 as provided in section 37 of this act.

1172 (d) Subject to the provisions of subsection (e) of this section, the
1173 declaration may provide for a period of declarant control of the
1174 association, during which a declarant, or persons designated by [him]
1175 the declarant, may appoint and remove the officers and members of
1176 the executive board. A declarant may voluntarily surrender the right to
1177 appoint and remove officers and members of the executive board
1178 before the period ends. In that event, the declarant may require, during
1179 the remainder of the period, that specified actions of the association or
1180 executive board, as described in a recorded instrument executed by the
1181 declarant, be approved by the declarant before they become effective.
1182 Regardless of the period provided in the declaration, a period of
1183 declarant control terminates no later than the earlier of: (1) Sixty days
1184 after conveyance of sixty per cent of the units that may be created to
1185 unit owners other than a declarant, except that in the case of a master
1186 planned community, control terminates no later than sixty days after
1187 conveyance to unit owners other than the declarant of sixty per cent of
1188 the maximum number of units that may be built, if that number is
1189 specified, or, if no such number is specified, after conveyance to unit
1190 owners other than the declarant of three hundred units; (2) two years
1191 after all declarants have ceased to offer units for sale in the ordinary
1192 course of business; (3) two years after any right to add new units was
1193 last exercised; or (4) the date the declarant, after giving [written] notice
1194 in a record to unit owners, records an instrument voluntarily
1195 surrendering all rights to control activities of the association. [A
1196 declarant may voluntarily surrender the right to appoint and remove
1197 officers and members of the executive board before termination of that
1198 period, but in that event the declarant may require, for the duration of
1199 the period of declarant control, that specified actions of the association
1200 or executive board, as described in a recorded instrument executed by

1201 the declarant, be approved by the declarant before they become
1202 effective.]

1203 (e) Not later than sixty days after conveyance of one-third of the
1204 units that may be created to unit owners other than a declarant, at least
1205 one member and not less than one-third of the members of the
1206 executive board shall be elected by unit owners other than the
1207 declarant.

1208 (f) Except as otherwise provided in subsection (e) of section 47-239,
1209 not later than the termination of any period of declarant control, the
1210 unit owners shall elect an executive board of at least three members, at
1211 least a majority of whom shall be unit owners. [The] Unless the
1212 declaration or bylaws provides for the election of officers by the unit
1213 owners, the executive board shall elect the officers. The executive
1214 board members and officers shall take office upon election.

1215 [(g) Notwithstanding any provision of the declaration or bylaws to
1216 the contrary, the unit owners, by a two-thirds vote of all persons
1217 present and entitled to vote at any meeting of the unit owners at which
1218 a quorum is present, may remove any member of the executive board
1219 with or without cause, other than a member appointed by the
1220 declarant.]

1221 (g) A declaration may provide for the appointment of specified
1222 positions on the executive board by either a governmental subdivision
1223 or agency or a nonstock corporation exempt from taxation as a public
1224 charity under 26 USC 501(c)(3) and 26 USC 4940(d)(2), as from time to
1225 time amended, during or after the period of declarant control. A
1226 declaration may also provide a method for filling vacancies in those
1227 specified positions, other than by election by the unit owners, except
1228 that, after the period of declarant control, appointed members (1) may
1229 not comprise more than one-third of the board, and (2) have no greater
1230 authority than any other member of the board.

1231 (h) Within thirty days after unit owners other than the declarant
1232 elect a majority of the members of the executive board, the declarant

1233 shall deliver to the association all property of the unit owners and of
1234 the association held by or controlled by the declarant, including
1235 without limitation the following items: (1) The original or a certified
1236 copy of the recorded declaration as amended; the association articles of
1237 incorporation, if the association is incorporated; bylaws; minute books
1238 and other books and records of the association; and any rules and
1239 regulations which may have been promulgated; (2) an accounting for
1240 association funds and financial statements, from the date the
1241 association received funds and ending on the date the period of
1242 declarant control ends. The financial statements shall be audited by an
1243 independent certified public accountant and shall be accompanied by
1244 the accountant's letter, expressing either (A) the opinion that the
1245 financial statements present fairly the financial position of the
1246 association in conformity with generally accepted accounting
1247 principles or (B) a disclaimer of the accountant's ability to attest to the
1248 fairness of the presentation of the financial information in conformity
1249 with generally accepted accounting principles, and the reasons
1250 therefor. The expense of the audit shall not be paid for or charged to
1251 the association; (3) association funds or control thereof; (4) all of
1252 declarant's tangible personal property that has been represented by the
1253 declarant to be the property of the association or, unless the declarant
1254 has disclosed in the public offering statement that all such personal
1255 property used in the common interest community will remain the
1256 declarant's property, all of the declarant's tangible personal property
1257 that is necessary for, and has been used exclusively in, the operation
1258 and enjoyment of the common elements, and inventories of these
1259 properties; (5) a copy of any plans and specifications used in the
1260 construction of the improvements in the common interest community
1261 which were completed within two years before the declaration was
1262 recorded; (6) all insurance policies then in force, in which the unit
1263 owners, the association or its directors and officers are named as
1264 insured persons; (7) copies of any certificates of occupancy that may
1265 have been issued with respect to any improvements comprising the
1266 common interest community; (8) any other permits issued by
1267 governmental bodies applicable to the common interest community

1268 and which are currently in force or which were issued within one year
1269 prior to the date on which unit owners other than the declarant took
1270 control of the association; (9) written warranties of the contractor,
1271 subcontractors, suppliers and manufacturers that are still effective; (10)
1272 a roster of unit owners and mortgagees and their addresses and
1273 telephone numbers, if known, as shown on the declarant's records; (11)
1274 employment contracts in which the association is a contracting party;
1275 and (12) any service contract in which the association is a contracting
1276 party or in which the association or the unit owners have any
1277 obligation to pay a fee to the persons performing the services.

1278 (i) During the period of declarant control, the declarant shall, at
1279 least every six months, provide the unit owners with a current
1280 financial statement of the association. The statement shall be on a cash
1281 basis and need not be audited by an independent accountant. It shall
1282 include, without limitation, (1) all income and expenses for the
1283 calendar year to date; (2) all accounts payable and receivable,
1284 including the ages of those accounts and showing all sums due to and
1285 from the declarant and affiliates of the declarant; (3) the amount of any
1286 funded replacement reserves; and (4) the balance of any other funds of
1287 the association.

1288 Sec. 23. Section 47-247 of the general statutes is repealed and the
1289 following is substituted in lieu thereof (*Effective July 1, 2010*):

1290 (a) Except in the case of nonresidential common interest
1291 communities as provided in section 47-215, as amended by this act, if
1292 entered into before the executive board elected by the unit owners
1293 pursuant to subsection (f) of section 47-245, as amended by this act,
1294 takes office, the association may terminate without penalty upon not
1295 less than ninety days' notice to the other party, any of the following: (1)
1296 [any] Any management, [contract,] maintenance, operations or
1297 employment contract or lease of recreational or parking areas or
1298 facilities; [,] or (2) any other contract or lease between the association
1299 and a declarant or an affiliate of a declarant, or (3) any contract or lease
1300 that is not bona fide or was unconscionable or commercially

1301 unreasonable to the unit owners at the time entered into under the
1302 circumstances then prevailing. [, may be terminated without penalty
1303 by the association at any time after the executive board elected by the
1304 unit owners pursuant to subsection (f) of section 47-245 takes office on
1305 not less than ninety days' notice to the other party.]

1306 (b) This section does not apply to: (1) Any lease the termination of
1307 which would terminate the common interest community or reduce its
1308 size, unless the real property subject to that lease was included in the
1309 common interest community for the purpose of avoiding the right of
1310 the association to terminate a lease under this section, or (2) a
1311 proprietary lease.

1312 Sec. 24. Section 47-248 of the general statutes is repealed and the
1313 following is substituted in lieu thereof (*Effective July 1, 2010*):

1314 (a) The bylaws of the association shall: [provide for: (1) The] (1)
1315 Provide the number of members of the executive board and the titles of
1316 the officers of the association; (2) provide for election by the executive
1317 board of a president, treasurer, secretary and any other officers of the
1318 association the bylaws specify; (3) specify the qualifications, powers
1319 and duties, terms of office and manner of electing and removing
1320 executive board members and officers and filling vacancies; (4) [which,
1321 if any, of its] specify the powers the executive board or officers may
1322 delegate to other persons or to a managing agent; (5) [which of its]
1323 specify the officers who may prepare, execute, certify and record
1324 amendments to the declaration on behalf of the association; [and] (6)
1325 specify a method for amending the bylaws; (7) contain any provision
1326 necessary to satisfy requirements in this chapter or the declaration
1327 concerning meetings, voting, quorums and other activities of the
1328 association; and (8) provide for any matter required by the law of this
1329 state other than this chapter, which is not inconsistent with this
1330 chapter, to appear in the bylaws of organizations of the same type as
1331 the association.

1332 (b) Subject to the [provisions of the] declaration and this chapter, the

1333 bylaws may provide for any other necessary or appropriate matters
1334 [the association deems necessary and appropriate] including matters
1335 that could be adopted as rules.

1336 Sec. 25. Section 47-250 of the general statutes is repealed and the
1337 following is substituted in lieu thereof (*Effective July 1, 2010*):

1338 [A meeting of the association shall be held at least once each year.
1339 Special meetings of the association may be called by the president,] (a)
1340 The following requirements apply to unit owner meetings:

1341 (1) An association shall hold a meeting of unit owners annually at a
1342 time, date and place stated in or fixed in accordance with the bylaws;

1343 (2) An association shall hold a special meeting of unit owners if its
1344 president, a majority of the executive board, or [by] unit owners
1345 having at least twenty per cent, or any lower percentage specified in
1346 the bylaws, of the votes in the association request that the secretary call
1347 the meeting. [Not less than ten nor more than sixty days in advance of
1348 any meeting, the secretary or other officer specified in the bylaws shall
1349 cause notice to be hand-delivered or sent prepaid by United States
1350 mail to the mailing address of each unit or to any other mailing
1351 address designated in writing by the unit owner.] If the association
1352 does not notify unit owners of a special meeting within fifteen days
1353 after the requisite number or percentage of unit owners request the
1354 secretary to do so, the requesting members may directly notify all the
1355 unit owners of the meeting. Only matters described in the meeting
1356 notice required by subdivision (3) of this subsection may be considered
1357 at a special meeting;

1358 (3) An association shall notify unit owners of the time, date and
1359 place of each annual and special unit owners meeting not less than ten
1360 days or more than sixty days before the meeting date. Notice may be
1361 by any means described in section 35 of this act. The notice of any
1362 meeting shall state the time, date and place of the meeting and the
1363 items on the agenda, including (A) a statement of the general nature of
1364 any proposed amendment to the declaration or bylaws, (B) any budget

1365 changes, and (C) any proposal to remove an officer or member of the
1366 executive board;

1367 (4) Unit owners shall be given a reasonable opportunity at any
1368 meeting to comment regarding any matter affecting the common
1369 interest community or the association; and

1370 (5) The declaration or bylaws may allow for meetings of unit owners
1371 to be conducted by telephonic, video or other conferencing process if
1372 the alternative process is consistent with subdivision (7) of subsection
1373 (b) of this section.

1374 (b) The following requirements apply to meetings of the executive
1375 board and committees of the association authorized to act for the
1376 association:

1377 (1) Meetings shall be open to the unit owners and to a representative
1378 designated by any unit owner except during executive sessions. The
1379 executive board and those committees may hold an executive session
1380 only during a regular or special meeting of the board or a committee.
1381 No final vote or action may be taken during an executive session. An
1382 executive session may be held only to: (A) Consult with the
1383 association's attorney concerning legal matters; (B) discuss existing or
1384 potential litigation or mediation, arbitration or administrative
1385 proceedings; (C) discuss labor or personnel matters; (D) discuss
1386 contracts, leases and other commercial transactions to purchase or
1387 provide goods or services currently being negotiated, including the
1388 review of bids or proposals, if premature general knowledge of those
1389 matters would place the association at a disadvantage; or (E) prevent
1390 public knowledge of the matter to be discussed if the executive board
1391 or committee determines that public knowledge would violate the
1392 privacy of any person.

1393 (2) For purposes of this section, a gathering of board members at
1394 which the board members do not conduct association business is not a
1395 meeting of the executive board. The executive board and its members
1396 may not use incidental or social gatherings of board members or any

1397 other method to evade the open meeting requirements of this section.

1398 (3) Notwithstanding any actions taken by unanimous consent
1399 pursuant to subdivision (8) of subsection (b) of this section, during and
1400 after the period of declarant control, the executive board shall meet at
1401 least two times a year at the common interest community or at a place
1402 convenient to the community. Those meetings, and after termination of
1403 the period of declarant control, all executive board meetings, shall be
1404 at the common interest community or at a place convenient to the
1405 community unless the bylaws are amended to vary the location of
1406 those meetings.

1407 (4) At each executive board meeting, the executive board shall
1408 provide a reasonable opportunity for unit owners to comment
1409 regarding any matter affecting the common interest community and
1410 the association.

1411 (5) Unless the meeting is included in a schedule given to the unit
1412 owners or the meeting is called to deal with an emergency, the
1413 secretary or other officer specified in the bylaws shall give notice of
1414 each executive board meeting to each board member and to the unit
1415 owners. The notice shall be given at least ten days before the meeting
1416 and shall state the time, date, place and agenda of the meeting.

1417 (6) If any materials are distributed to the executive board before the
1418 meeting, the executive board at the same time shall make copies of
1419 those materials reasonably available to unit owners, except that the
1420 board need not make available copies of unapproved minutes or
1421 materials that are to be considered in executive session.

1422 (7) Unless prohibited by the declaration or bylaws, the executive
1423 board may meet by telephonic, video or other conferencing process if
1424 (A) the meeting notice states the conferencing process to be used and
1425 provides information explaining how unit owners may participate in
1426 the conference directly or by meeting at a central location or
1427 conference connection; and (B) the process provides all unit owners the
1428 opportunity to hear or perceive the discussion and offer comments as

1429 provided in subdivision (4) of this subsection.

1430 (8) Instead of meeting, the executive board may act by unanimous
1431 consent as documented in a record authenticated by all its members.
1432 The secretary promptly shall give notice to all unit owners of any
1433 action taken by unanimous consent.

1434 (9) Even if an action by the executive board is not in compliance
1435 with this section, it is valid unless set aside by a court. A challenge to
1436 the validity of an action of the executive board for failure to comply
1437 with this section may not be brought more than sixty days after the
1438 minutes of the executive board of the meeting at which the action was
1439 taken are approved or the record of that action is distributed to unit
1440 owners, whichever is later.

1441 (c) Meetings of the association shall be conducted in accordance
1442 with the most recent edition of Roberts' Rules of Order Newly Revised
1443 unless (1) the declaration, bylaws or other law otherwise provides, or
1444 (2) two-thirds of the votes allocated to owners present at the meeting
1445 are cast to suspend those rules.

1446 Sec. 26. Section 47-251 of the general statutes is repealed and the
1447 following is substituted in lieu thereof (*Effective July 1, 2010*):

1448 (a) Unless the bylaws otherwise provide, [otherwise,] a quorum is
1449 present throughout any meeting of the [association] unit owners if
1450 persons entitled to cast twenty per cent of the votes [that may be cast
1451 for election of the executive board are] in the association are present in
1452 person or by proxy at the beginning of the meeting.

1453 (b) Unless the bylaws specify a larger [percentage] number, a
1454 quorum of the executive board is [deemed] present [throughout any]
1455 for purposes of determining the validity of any action taken at a
1456 meeting of the executive board only if [persons] individuals entitled to
1457 cast [fifty per cent] a majority of the votes on that board are present at
1458 the [beginning of the meeting] time a vote regarding that action is
1459 taken. If a quorum is present when a vote is taken, the affirmative vote

1460 of a majority of the board members present is the act of the executive
1461 board unless a greater vote is required by the declaration or bylaws.

1462 Sec. 27. Section 47-252 of the general statutes is repealed and the
1463 following is substituted in lieu thereof (*Effective July 1, 2010*):

1464 (a) Unless prohibited or limited by the declaration or bylaws, unit
1465 owners may vote at a meeting in person, by a proxy pursuant to
1466 subsection (c) of this section or, when a vote is conducted without a
1467 meeting, by electronic or paper ballot pursuant to subsection (d) of this
1468 section.

1469 (b) At a meeting of unit owners the following requirements apply:

1470 (1) If only one of several owners of a unit is present at a meeting of
1471 the association, that owner is entitled to cast all the votes allocated to
1472 that unit. If more than one of the owners are present, the votes
1473 allocated to that unit may be cast only in accordance with the
1474 agreement of a majority in interest of the owners, unless the
1475 declaration expressly provides otherwise. There is majority agreement
1476 if any one of the owners casts the votes allocated to [that] the unit
1477 without protest being made promptly to the person presiding over the
1478 meeting by any of the other owners of the unit.

1479 [(b)] (2) Unless a greater number or fraction of the votes in the
1480 association is required by this chapter or other law or the declaration, a
1481 majority of the votes cast is the decision of the unit owners.

1482 (c) Except as otherwise provided in the declaration or bylaws, the
1483 following requirements apply with respect to proxy voting:

1484 (1) Votes allocated to a unit may be cast pursuant to a directed or
1485 undirected proxy duly executed by a unit owner; [.]

1486 (2) If a unit is owned by more than one person, each owner of the
1487 unit may vote or register protest to the casting of votes by the other
1488 owners of the unit through a duly executed proxy; [.]

1489 (3) A unit owner may revoke a proxy given pursuant to this section
1490 only by actual notice of revocation to the person presiding over a
1491 meeting of the association; [.]

1492 (4) A proxy is void if it is not dated or purports to be revocable
1493 without notice; [.]

1494 (5) A proxy terminates one year after its date, unless it specifies a
1495 shorter term; and

1496 (6) A person may not cast votes representing more than fifteen per
1497 cent of the votes in the association pursuant to undirected proxies.

1498 (d) Unless prohibited or limited by the declaration or bylaws, an
1499 association may conduct a vote without a meeting. In that event, the
1500 following requirements apply:

1501 (1) The association shall notify the unit owners that the vote will be
1502 taken by ballot;

1503 (2) The association shall deliver a paper or electronic ballot to every
1504 unit owner entitled to vote on the matter;

1505 (3) The ballot must set forth each proposed action or office to be
1506 filled and provide an opportunity to vote for or against the action or
1507 the candidate for office;

1508 (4) When the association delivers the ballots, it shall also: (A)
1509 Indicate the number of responses needed to meet the quorum
1510 requirements; (B) state the percentage of votes necessary to approve
1511 each matter other than election of directors; (C) specify the time and
1512 date by which a ballot must be delivered to the association to be
1513 counted, which time and date may not be fewer than three days after
1514 the date the association delivers the ballot; and (D) describe the time,
1515 date and manner by which unit owners wishing to deliver information
1516 to all unit owners regarding the subject of the vote may do so;

1517 (5) Except as otherwise provided in the declaration or bylaws, a

1518 ballot is not revoked after delivery to the association by death or
1519 disability or attempted revocation by the person that cast that vote;
1520 and

1521 (6) Approval by ballot pursuant to this subsection is valid only if the
1522 number of votes cast by ballot equals or exceeds the quorum required
1523 to be present at a meeting authorizing the action.

1524 ~~[(c)]~~ (e) If the declaration requires that votes on specified matters
1525 affecting the common interest community be cast by lessees rather
1526 than unit owners of leased units: (1) [The provisions of subsections (a)
1527 and (b) of this] This section [apply] applies to lessees as if they were
1528 unit owners; (2) unit owners [who] that have leased their units to other
1529 persons may not cast votes on those specified matters; and (3) lessees
1530 are entitled to notice of meetings, access to records and other rights
1531 respecting those matters as if they were unit owners.

1532 (f) Unit owners shall also be given notice [, in the manner provided
1533 in section 47-250,] of all meetings at which lessees are entitled to vote.

1534 ~~[(d)]~~ (g) [No votes] Votes allocated to a unit owned by the
1535 association [may] shall be cast in any vote of the unit owners in the
1536 same proportion as the votes cast on the matter by unit owners other
1537 than the association.

1538 (h) For the purposes of this chapter and sections 8, 9 and 34 to 38,
1539 inclusive, of this act, "fraction or percentage", with respect to the unit
1540 owners or the votes in the association, means the stated fraction or
1541 percentage of unit owners of units to which at least the stated
1542 percentage or fraction of all the votes in the association are allocated,
1543 unless the provisions of this chapter or said sections provides that the
1544 "fraction or percentage" refers to a different group of unit owners or
1545 votes.

1546 Sec. 28. Section 47-254 of the general statutes is repealed and the
1547 following is substituted in lieu thereof (*Effective July 1, 2010*):

1548 (a) In a condominium or planned community, portions of the
1549 common elements may be conveyed or subjected to a security interest
1550 by the association if persons entitled to cast at least eighty per cent of
1551 the votes in the association, including eighty per cent of the votes
1552 allocated to units not owned by a declarant, or any larger percentage
1553 the declaration specifies, agree to that action; but all owners of units to
1554 which any limited common element is allocated must agree in order to
1555 convey that limited common element or subject it to a security interest.
1556 The declaration may specify a smaller percentage only if all of the units
1557 are restricted exclusively to nonresidential uses. In a condominium, the
1558 common elements may be conveyed or subjected to a security interest
1559 as provided in this subsection free of the lien on the undivided
1560 interests in the common elements held by all mortgagees of the units, if
1561 eighty per cent of the mortgagees consent in [writing] a record to the
1562 sale or encumbrance. Proceeds of the sale are an asset of the
1563 association, but the proceeds of the sale of, or attributed to, limited
1564 common elements must be distributed equitably among the owners of
1565 units to which the limited common elements were allocated.

1566 (b) Part of a cooperative may be conveyed and all or part of a
1567 cooperative may be subjected to a security interest by the association if
1568 persons entitled to cast at least eighty per cent of the votes in the
1569 association, including eighty per cent of the votes allocated to units not
1570 owned by a declarant, or any larger percentage the declaration
1571 specifies, agree to that action; but, if fewer than all of the units or
1572 limited common elements are to be conveyed or subjected to a security
1573 interest, then all unit owners of those units, or the units to which those
1574 limited common elements are allocated, must agree in order to convey
1575 those units or limited common elements or subject them to a security
1576 interest. The declaration may specify a smaller percentage only if all of
1577 the units are restricted exclusively to nonresidential uses. Proceeds of
1578 the sale are an asset of the association. Any purported conveyance or
1579 other voluntary transfer of an entire cooperative, unless made
1580 pursuant to section 47-237, as amended by this act, is void.

1581 (c) An agreement to convey common elements in a condominium or

1582 planned community, or to subject them to a security interest, or in a
1583 cooperative, an agreement to convey any part of a cooperative or
1584 subject it to a security interest, shall be evidenced by the execution of
1585 an agreement or ratifications thereof, in the same manner as a deed, by
1586 the requisite number of unit owners. The agreement shall specify a
1587 date after which the agreement will be void unless recorded before
1588 that date. The agreement and all ratifications thereof shall be recorded
1589 in every town in which a portion of the common interest community is
1590 situated, and is effective only on recordation.

1591 (d) The association, on behalf of the unit owners, may contract to
1592 convey an interest in a common interest community pursuant to
1593 subsection (a) or (b) of this section, but the contract is not enforceable
1594 against the association until approved pursuant to subsections (a), (b)
1595 and (c) of this section. Thereafter, the association has all powers
1596 necessary and appropriate to effect the conveyance or encumbrance,
1597 including the power to execute deeds or other instruments.

1598 (e) Unless made pursuant to this section, any purported
1599 conveyance, encumbrance, judicial sale or other voluntary transfer of
1600 common elements or of any other part of a cooperative is void.

1601 (f) A conveyance or encumbrance of common elements or of a
1602 cooperative pursuant to this section does not deprive any unit of its
1603 rights of access and support.

1604 (g) Unless the declaration otherwise provides and unless, in a
1605 condominium, eighty per cent of the mortgagees have consented in
1606 [writing] a record to the sale as provided in subsection (a) of this
1607 section, a conveyance or encumbrance of common elements pursuant
1608 to this section does not affect the priority or validity of preexisting
1609 encumbrances.

1610 (h) In a cooperative, the association may acquire, hold, encumber or
1611 convey a proprietary lease without complying with this section.

1612 Sec. 29. Section 47-255 of the general statutes is repealed and the

1613 following is substituted in lieu thereof (*Effective July 1, 2010*):

1614 (a) Commencing not later than the time of the first conveyance of a
1615 unit to a person other than a declarant, the association shall maintain,
1616 to the extent reasonably available and subject to reasonable
1617 deductibles: (1) Property insurance on the common elements and, in a
1618 planned community, also on property that must become common
1619 elements, insuring against [all] those risks of direct physical loss
1620 commonly insured against, [or, in the case of a conversion building,
1621 against fire and extended coverage perils. The total amount of] which
1622 insurance, after application of any deductibles shall be not less than
1623 eighty per cent of the actual cash value of the insured property at the
1624 time the insurance is purchased and at each renewal date, exclusive of
1625 land, excavations, foundations and other items normally excluded
1626 from property policies; (2) flood insurance in the event the
1627 condominium is located in a flood hazard area, as defined and
1628 determined by the National Flood Insurance Act, as amended, USC 42
1629 Section 4101, P.L. 93-234, and the unit owners by vote direct; [and] (3)
1630 commercial general liability insurance, including medical payments
1631 insurance, in an amount determined by the executive board but not
1632 less than any amount specified in the declaration, covering all
1633 occurrences commonly insured against for [death,] bodily injury and
1634 property damage arising out of or in connection with the use,
1635 ownership or maintenance of the common elements and, in
1636 cooperatives, also of all units; and (4) fidelity insurance.

1637 (b) In the case of a building [that is part of a cooperative or] that
1638 contains units [having] divided by horizontal boundaries described in
1639 the declaration, or by vertical boundaries that comprise or are located
1640 within common walls between units, the insurance maintained under
1641 subdivision (1) of subsection (a) of this section, to the extent reasonably
1642 available, shall include the units, [but need not include] and all
1643 improvements and betterments installed by unit owners, unless the
1644 declaration limits the association's authority to insure all
1645 improvements and betterments or the executive board decides, after
1646 giving notice and an opportunity for unit owners to comment, not to

1647 insure such improvements and betterments. In the case of common
1648 interest communities containing more than twelve units, unless the
1649 association insures all improvements and betterments, the association
1650 shall:

1651 (1) Prepare and maintain a schedule of the standard fixtures,
1652 improvements and betterments in the units, including any standard
1653 wall, floor and ceiling coverings covered by the association's insurance
1654 policy;

1655 (2) Provide such schedule at least annually to the unit owners in
1656 order to enable unit owners to coordinate their homeowners insurance
1657 coverage with the coverage afforded by the association's insurance
1658 policy; and

1659 (3) Include such schedule in any resale certificate prepared pursuant
1660 to section 47-270, as amended by this act.

1661 (c) If the insurance described in subsections (a) and (b) of this
1662 section is not reasonably available, the association promptly shall
1663 cause notice of that fact to be [hand-delivered or sent prepaid by
1664 United States mail] given to all unit owners pursuant to section 35 of
1665 this act. The declaration may require the association to carry any other
1666 insurance, and the association [in any event] may carry any other
1667 insurance it considers appropriate to protect the association or the unit
1668 owners.

1669 (d) Insurance policies carried pursuant to subsections (a) and (b) of
1670 this section shall provide that: (1) Each unit owner is an insured person
1671 under the policy with respect to liability arising out of his interest in
1672 the common elements or membership in the association; (2) the insurer
1673 waives its right to subrogation under the policy against any unit owner
1674 or member of his household; (3) no act or omission by any unit owner,
1675 unless acting within the scope of his authority on behalf of the
1676 association, will void the policy or be a condition to recovery under the
1677 policy; and (4) if, at the time of a loss under the policy, there is other
1678 insurance in the name of a unit owner covering the same risk covered

1679 by the policy, the association's policy provides primary insurance.

1680 (e) Any loss covered by the property policy under subdivision (1) of
1681 subsection (a) and subsection (b) of this section shall be adjusted with
1682 the association, but the insurance proceeds for that loss are payable to
1683 any insurance trustee designated for that purpose, or otherwise to the
1684 association, and not to any holder of a security interest. The insurance
1685 trustee or the association shall hold any insurance proceeds in trust for
1686 the association, unit owners and lien holders as their interests may
1687 appear. Subject to the provisions of subsection (h) of this section, the
1688 proceeds shall be disbursed first for the repair or [restoration]
1689 replacement of the damaged property, and the association, unit
1690 owners and lien holders are not entitled to receive payment of any
1691 portion of the proceeds unless there is a surplus of proceeds after the
1692 property has been completely repaired or [restored] replaced, or the
1693 common interest community is terminated.

1694 (f) An insurance policy issued to the association does not prevent a
1695 unit owner from obtaining insurance for his own benefit.

1696 (g) An insurer that has issued an insurance policy under this section
1697 shall issue certificates or memoranda of insurance to the association
1698 and, on [written] request made in a record, to any unit owner or holder
1699 of a security interest. The insurer issuing the policy may not cancel or
1700 refuse to renew it until sixty days after notice of the proposed
1701 cancellation or nonrenewal has been mailed to the association, each
1702 unit owner and each holder of a security interest to whom a certificate
1703 or memorandum of insurance has been issued at their respective last
1704 known addresses.

1705 (h) (1) Any portion of the common interest community for which
1706 insurance is required under this section which is damaged or
1707 destroyed shall be repaired or replaced promptly by the association
1708 unless (A) the common interest community is terminated, in which
1709 case section 47-237, as amended by this act, applies, (B) repair or
1710 replacement would be illegal under any state or local statute or

1711 ordinance governing health or safety, or (C) eighty per cent of the unit
1712 owners, including every owner of a unit or assigned limited common
1713 element that will not be rebuilt, vote not to rebuild. The cost of repair
1714 or replacement in excess of insurance proceeds and reserves,
1715 regardless of whether such excess is the result of the application of a
1716 deductible under insurance coverage, is a common expense.

1717 (2) If the entire common interest community is not repaired or
1718 replaced, (A) the insurance proceeds attributable to the damaged
1719 common elements shall be used to restore the damaged area to a
1720 condition compatible with the remainder of the common interest
1721 community, and (B) except to the extent that other persons will be
1722 distributees, (i) the insurance proceeds attributable to units and limited
1723 common elements that are not rebuilt shall be distributed to the
1724 owners of those units and the owners of the units to which those
1725 limited common elements were allocated, or to lien holders, as their
1726 interests may appear, and (ii) the remainder of the proceeds shall be
1727 distributed to all the unit owners or lien holders, as their interests may
1728 appear, in proportion to the common expense liabilities of all the units.

1729 (3) If the unit owners vote not to rebuild any unit, that unit's
1730 allocated interests are automatically reallocated on the vote as if the
1731 unit had been condemned under subsection (a) of section 47-206, and
1732 the association promptly shall prepare, execute and record an
1733 amendment to the declaration reflecting the reallocations.

1734 (i) The provisions of this section may be varied or waived in the case
1735 of a common interest community all of whose units are restricted to
1736 nonresidential use.

1737 Sec. 30. Section 47-256 of the general statutes is repealed and the
1738 following is substituted in lieu thereof (*Effective July 1, 2010*):

1739 Unless otherwise provided in the declaration, any surplus funds of
1740 the association remaining after payment of or provision for common
1741 expenses and any prepayment of reserves shall be paid annually to the
1742 unit owners in proportion to their common expense liabilities or

1743 credited to them to reduce their future common expense assessments.

1744 Sec. 31. Section 47-257 of the general statutes is repealed and the
1745 following is substituted in lieu thereof (*Effective July 1, 2010*):

1746 (a) Until the association makes a common expense assessment, the
1747 declarant shall pay all common expenses. After an assessment has
1748 been made by the association, assessments shall be made at least
1749 annually, based on a budget adopted at least annually by the
1750 association.

1751 (b) Except for assessments under subsections (c), (d) and (e) of this
1752 section, or as otherwise provided in this chapter, all common expenses
1753 shall be assessed against all the units in accordance with the allocations
1754 set forth in the declaration pursuant to subsections (a) and (b) of
1755 section 47-226, as amended by this act. [Any] The association may
1756 charge interest on any past due [common expense] assessment or
1757 [installment] portion thereof [bears interest] at the rate established by
1758 the association, not exceeding eighteen per cent per year.

1759 (c) To the extent required by the declaration: (1) Any common
1760 expense associated with the maintenance, repair or replacement of a
1761 limited common element shall be assessed against the units to which
1762 that limited common element is assigned, equally, or in any other
1763 proportion the declaration provides; (2) any common expense or
1764 portion thereof benefiting fewer than all of the units [shall] or their
1765 owners may be assessed exclusively against the units benefited; and (3)
1766 the costs of insurance shall be assessed in proportion to risk and the
1767 costs of utilities shall be assessed in proportion to usage.

1768 (d) Assessments to pay a judgment against the association may be
1769 made only against the units in the common interest community at the
1770 time the judgment was rendered, in proportion to their common
1771 expense liabilities.

1772 (e) If any common expense is caused by the wilful misconduct,
1773 failure to comply with a written maintenance standard promulgated

1774 by the association or gross negligence of any unit owner or tenant or a
1775 guest or invitee of a unit owner or tenant, the association may, after
1776 notice and hearing, assess the portion of that common expense in
1777 excess of any insurance proceeds received by the association under its
1778 insurance policy, whether that portion results from the application of a
1779 deductible or otherwise, exclusively against [his unit] that owner's
1780 unit.

1781 (f) If common expense liabilities are reallocated, common expense
1782 assessments and any installment thereof not yet due shall be
1783 recalculated in accordance with the reallocated common expense
1784 liabilities.

1785 (g) No unit owner may exempt himself from liability for payment of
1786 the common expenses by waiver of the use or enjoyment of any of the
1787 common elements or by abandonment of the unit against which the
1788 assessments are made.

1789 Sec. 32. Section 47-258 of the general statutes is repealed and the
1790 following is substituted in lieu thereof (*Effective July 1, 2010*):

1791 (a) The association has a statutory lien on a unit for any assessment
1792 [levied against] attributable to that unit or fines imposed against its
1793 unit owner. Unless the declaration otherwise provides, reasonable
1794 attorneys' fees and costs, other fees, charges, late charges, fines and
1795 interest charged pursuant to subdivisions (10), (11) and (12) of
1796 subsection (a) of section 47-244, as amended by this act, and any other
1797 sums due to the association under the declaration, this chapter, or as a
1798 result of an administrative, arbitration, mediation or judicial decision,
1799 are enforceable in the same manner as unpaid assessments under this
1800 section. If an assessment is payable in installments, the full amount of
1801 the assessment is a lien from the time the first installment thereof
1802 becomes due.

1803 (b) A lien under this section is prior to all other liens and
1804 encumbrances on a unit except (1) liens and encumbrances recorded
1805 before the recordation of the declaration and, in a cooperative, liens

1806 and encumbrances which the association creates, assumes or takes
1807 subject to, (2) a first or second security interest on the unit recorded
1808 before the date on which the assessment sought to be enforced became
1809 delinquent, or, in a cooperative, a first or second security interest
1810 encumbering only the unit owner's interest and perfected before the
1811 date on which the assessment sought to be enforced became
1812 delinquent, and (3) liens for real property taxes and other
1813 governmental assessments or charges against the unit or cooperative.
1814 The lien is also prior to all security interests described in subdivision
1815 (2) of this subsection to the extent of (A) an amount equal to the
1816 common expense assessments based on the periodic budget adopted
1817 by the association pursuant to subsection (a) of section 47-257, as
1818 amended by this act, which would have become due in the absence of
1819 acceleration during the six months immediately preceding institution
1820 of an action to enforce either the association's lien or a security interest
1821 described in subdivision (2) of this subsection and (B) the association's
1822 costs and attorney's fees in enforcing its lien. A lien for any assessment
1823 or fine specified in subsection (a) of this section shall have the priority
1824 provided for in this subsection in an amount not to exceed the amount
1825 specified in subparagraph (A) of this subsection. This subsection does
1826 not affect the priority of mechanics' or materialmen's liens or the
1827 priority of liens for other assessments made by the association.

1828 (c) Unless the declaration otherwise provides, if two or more
1829 associations have liens for assessments created at any time on the same
1830 property, those liens have equal priority.

1831 (d) Recording of the declaration constitutes record notice and
1832 perfection of the lien. No further recordation of any claim of lien for
1833 assessment under this section is required.

1834 (e) A lien for unpaid assessments is extinguished unless
1835 proceedings to enforce the lien are instituted within [two] three years
1836 after the full amount of the assessments becomes due; provided, that if
1837 an owner of a unit subject to a lien under this section files a petition for
1838 relief under the United States Bankruptcy Code, the period of time for

1839 instituting proceedings to enforce the association's lien shall be tolled
1840 until thirty days after the automatic stay of proceedings under Section
1841 362 of the Bankruptcy Code is lifted.

1842 (f) This section does not prohibit actions against unit owners to
1843 recover sums for which subsection (a) of this section creates a lien or
1844 prohibit an association from taking a deed in lieu of foreclosure.

1845 (g) A judgment or decree in any action brought under this section
1846 shall include costs and reasonable attorney's fees for the prevailing
1847 party.

1848 (h) The association on [written] request made in a record shall
1849 furnish to a unit owner a statement in recordable form setting forth the
1850 amount of unpaid assessments against the unit. The statement shall be
1851 furnished within ten business days after receipt of the request and is
1852 binding on the association, the executive board and every unit owner.

1853 (i) In a cooperative, on nonpayment of an assessment on a unit, the
1854 unit owner may be evicted in the same manner as provided by law in
1855 the case of an unlawful holdover by a tenant, and the lien may be
1856 foreclosed as provided by this section.

1857 (j) The association's lien may be foreclosed in like manner as a
1858 mortgage on real property.

1859 (k) In any action by the association to collect assessments or to
1860 foreclose a lien for unpaid assessments, the court may appoint a
1861 receiver of the unit owner pursuant to section 52-504 to collect all sums
1862 alleged to be due from that unit owner prior to or during the pendency
1863 of the action. The court may order the receiver to pay any sums held
1864 by the receiver to the association during the pendency of the action to
1865 the extent of the association's common expense assessments based on a
1866 periodic budget adopted by the association pursuant to subsection (a)
1867 of section 47-257, as amended by this act.

1868 (l) If a holder of a first or second security interest on a unit

1869 forecloses that security interest, the purchaser at the foreclosure sale is
1870 not liable for any unpaid assessments against that unit which became
1871 due before the sale, other than the assessments which are prior to that
1872 security interest under subsection (b) of this section. Any unpaid
1873 assessments not satisfied from the proceeds of sale become common
1874 expenses collectible from all the unit owners, including the purchaser.

1875 (m) An association may not commence an action to foreclose a lien
1876 on a unit under this section unless: (1) The unit owner, at the time the
1877 action is commenced, owes a sum equal to at least two months of
1878 common expense assessments based on the periodic budget last
1879 adopted by the association pursuant to subsection (a) of section 47-257,
1880 as amended by this act; (2) the association has made a demand for
1881 payment in a record; and (3) the executive board has either voted to
1882 commence a foreclosure action specifically against that unit or has
1883 adopted a standard policy that provides for foreclosure against that
1884 unit.

1885 (n) Every aspect of a foreclosure, sale or other disposition under this
1886 section, including the method, advertising, time, date, place and terms,
1887 shall be commercially reasonable.

1888 Sec. 33. Section 47-260 of the general statutes is repealed and the
1889 following is substituted in lieu thereof (*Effective July 1, 2010*):

1890 (a) [The association shall keep financial records sufficiently detailed
1891 to enable the association to comply with section 47-270. All accounting,
1892 financial and other books and records of the association, including, but
1893 not limited to, minutes of meetings and voting records of the executive
1894 board, shall be made reasonably available by the executive board or a
1895 managing agent of the association for examination and copying by any
1896 unit owner, or the unit owner's authorized agent, upon the request of
1897 such unit owner or agent.] An association shall retain the following:

1898 (1) Detailed records of receipts and expenditures affecting the
1899 operation and administration of the association and other appropriate
1900 accounting records;

1901 (2) Minutes of all meetings of its unit owners and executive board
1902 other than executive sessions, a record of all actions taken by the unit
1903 owners or executive board without a meeting, and a record of all
1904 actions taken by a committee in place of the executive board on behalf
1905 of the association;

1906 (3) The names of unit owners in a form that permits preparation of a
1907 list of the names of all owners and the addresses at which the
1908 association communicates with them, in alphabetical order showing
1909 the number of votes each owner is entitled to cast;

1910 (4) The association's original or restated organizational documents,
1911 if required by law other than this chapter, bylaws and all amendments
1912 to them, and all rules currently in effect;

1913 (5) All financial statements and tax returns of the association for the
1914 past three years;

1915 (6) A list of the names and addresses of its current executive board
1916 members and officers;

1917 (7) The association's most recent annual report delivered to the
1918 Secretary of the State, if any;

1919 (8) Financial and other records sufficiently detailed to enable the
1920 association to comply with section 47-270, as amended by this act;

1921 (9) Copies of current contracts to which the association is a party;

1922 (10) Records of executive board or committee actions to approve or
1923 deny any requests for design or architectural approval from unit
1924 owners; and

1925 (11) Ballots, proxies and other records related to voting by unit
1926 owners for one year after the election, action or vote to which they
1927 relate.

1928 (b) Subject to subsections (c) and (d) of this section, all records

1929 retained by an association shall be available for examination and
1930 copying by a unit owner or the owner's authorized agent:

1931 (1) During reasonable business hours or at a mutually convenient
1932 time and location; and

1933 (2) Upon five days' notice in a record reasonably identifying the
1934 specific records of the association requested.

1935 (c) Records retained by an association shall be withheld from
1936 inspection and copying to the extent that they concern:

1937 (1) Personnel, salary and medical records relating to specific
1938 individuals, unless waived by the persons to whom such records
1939 relate; or

1940 (2) Information the disclosure of which would violate any law other
1941 than this chapter or section 8, 9 or 34 to 38, inclusive, of this act.

1942 (d) Records retained by an association may be withheld from
1943 inspection and copying to the extent that they concern:

1944 (1) Contracts, leases and other commercial transactions to purchase
1945 or provide goods or services, currently being negotiated;

1946 (2) Existing or potential litigation or mediation, arbitration or
1947 administrative proceedings;

1948 (3) Existing or potential matters involving federal, state or local
1949 administrative or other formal proceedings before a governmental
1950 tribunal for enforcement of the declaration, bylaws or rules;

1951 (4) Communications with the association's attorney which are
1952 otherwise protected by the attorney-client privilege or the attorney
1953 work-product doctrine;

1954 (5) Records of an executive session of the executive board; or

1955 (6) Individual unit files other than those of the requesting owner.

1956 (e) An association may charge a reasonable fee for providing copies
1957 of any records under this section and for supervising the unit owner's
1958 inspection.

1959 (f) A right to copy records under this section includes the right to
1960 receive copies by photocopying or other means, including copies
1961 through an electronic transmission if available upon request by the
1962 unit owner.

1963 (g) An association is not obligated to compile or synthesize
1964 information.

1965 (h) Information provided pursuant to this section may not be used
1966 for commercial purposes.

1967 [(b) Notwithstanding any provision of the declaration or bylaws to
1968 the contrary, at least fourteen days prior to entering into any loan
1969 agreement on behalf of the association, the executive board shall (1)
1970 disclose in writing to all unit owners the amount and terms of the loan
1971 and the estimated effect of such loan on any common expense
1972 assessment, and (2) afford the unit owners a reasonable opportunity to
1973 submit written comments to the executive board with respect to such
1974 loan.]

1975 Sec. 34. (NEW) (*Effective July 1, 2010*) (a) At least ten days before
1976 adopting, amending or repealing any rule, the executive board shall
1977 give all unit owners notice of: (1) Its intention to adopt, amend or
1978 repeal a rule and shall provide the text of the rule or the proposed
1979 change; and (2) a date on which the executive board will act on the
1980 proposed rule or amendment after considering comments from unit
1981 owners.

1982 (b) Following adoption, amendment or repeal of a rule, the
1983 association shall notify the unit owners of its action and provide a copy
1984 of any new or revised rule.

1985 (c) Subject to the provisions of the declaration, an association may

1986 adopt rules to establish and enforce construction and design criteria
1987 and aesthetic standards. If an association adopts such rules, the
1988 association shall adopt procedures for enforcement of those rules and
1989 for approval of construction applications, including a reasonable time
1990 within which the association must act after an application is submitted
1991 and the consequences of its failure to act.

1992 (d) A rule regulating display of the flag of the United States must be
1993 consistent with federal law. In addition, the association may not
1994 prohibit display, on a unit or on a limited common element adjoining a
1995 unit, of the flag of this state, or signs regarding candidates for public or
1996 association office or ballot questions, but the association may adopt
1997 rules governing the time, place, size, number and manner of those
1998 displays.

1999 (e) Unit owners may peacefully assemble on the common elements
2000 to consider matters related to the common interest community, but the
2001 association may adopt rules governing the time, place and manner of
2002 those assemblies.

2003 (f) An association may adopt rules that affect the use of or behavior
2004 in units that may be used for residential purposes, only to:

2005 (1) Implement a provision of the declaration;

2006 (2) Regulate any behavior in or occupancy of a unit which violates
2007 the declaration or adversely affects the use and enjoyment of other
2008 units or the common elements by other unit owners; or

2009 (3) Restrict the leasing of residential units to the extent those rules
2010 are reasonably designed to meet underwriting requirements of
2011 institutional lenders that regularly make loans secured by first
2012 mortgages on units in common interest communities or regularly
2013 purchase those mortgages.

2014 (g) An association's internal business operating procedures need not
2015 be adopted as rules.

2016 (h) Each rule of the association must be reasonable.

2017 Sec. 35. (NEW) (*Effective July 1, 2010*) (a) An association shall deliver
2018 any notice required to be given by the association under chapter 828 of
2019 the general statutes, as amended by this act, or section 8, 9 or 34 to 38,
2020 inclusive, of this act, to any mailing or electronic mail address a unit
2021 owner designates, except that the association may also deliver notices
2022 by: (1) Hand delivery to each unit owner; (2) hand delivery, United
2023 States mail postage paid, or commercially reasonable delivery service
2024 to the mailing address of each unit; (3) electronic means, if the unit
2025 owner has given the association an electronic address; or (4) any other
2026 method reasonably calculated to provide notice to the unit owner.

2027 (b) Notices required by this act are effective when sent. The
2028 ineffectiveness of a good faith effort to deliver notice by an authorized
2029 means does not invalidate action taken at or without a meeting.

2030 Sec. 36. (NEW) (*Effective July 1, 2010*) (a) Notwithstanding any
2031 provision of the declaration or bylaws to the contrary, unit owners
2032 present in person or by proxy at any meeting of the unit owners at
2033 which a quorum is present, or voting by ballot pursuant to subsection
2034 (d) of section 47-252, as amended by this act, may remove any member
2035 of the executive board and any officer elected by the unit owners, with
2036 or without cause, if the number of votes cast in favor of removal
2037 exceeds the number of votes cast in opposition to removal, except that:
2038 (1) A member appointed by the declarant may not be removed by a
2039 unit owner vote during the period of declarant control; (2) a member
2040 appointed under subsection (g) of section 47-245 of the general
2041 statutes, as amended by this act, may be removed only by the person
2042 that appointed that member; and (3) the unit owners may not consider
2043 whether to remove a member of the executive board or an officer
2044 elected by the unit owners at a meeting of the unit owners unless that
2045 subject was listed in the notice of the meeting or in the notice of the
2046 vote by ballot.

2047 (b) At any meeting at which a vote to remove a member of the

2048 executive board or an officer is to be taken, the member or officer being
2049 considered for removal must have a reasonable opportunity to speak
2050 before the vote. If the vote is taken by ballot pursuant to subsection (d)
2051 of section 47-252 of the general statutes, as amended by this act, the
2052 member or officer being considered for removal shall be given a
2053 reasonable opportunity to deliver information to unit owners as
2054 provided in said subsection.

2055 Sec. 37. (NEW) (*Effective July 1, 2010*) (a) The executive board, at
2056 least annually, shall adopt a proposed budget for the common interest
2057 community for consideration by the unit owners. Not later than thirty
2058 days after adoption of a proposed budget, the executive board shall
2059 provide to all the unit owners a summary of the budget, including any
2060 reserves, and a statement of the basis on which any reserves are
2061 calculated and funded. Simultaneously, the board shall set a date not
2062 less than ten days or more than sixty days after providing the
2063 summary for either a meeting of the unit owners or a vote by ballot
2064 without a meeting to consider approval of the budget. If, at that
2065 meeting or in the vote by ballot, a majority of all unit owners, or any
2066 larger number specified in the declaration votes to reject the budget,
2067 the budget is rejected; otherwise the budget is approved. The absence
2068 of a quorum at such meeting or participating in the vote by ballot shall
2069 not affect rejection or approval of the budget. If a proposed budget is
2070 rejected, the budget last approved by the unit owners continues until
2071 unit owners approve a subsequent budget.

2072 (b) The executive board, at any time, may propose a special
2073 assessment. Not later than thirty days after adoption of a proposed
2074 special assessment, the executive board shall provide to all unit owners
2075 a summary of the assessment. Unless the declaration or bylaws
2076 otherwise provide, if such special assessment, together with all other
2077 special and emergency assessments proposed by the executive board
2078 in the same calendar year, do not exceed fifteen per cent of the
2079 association's last adopted periodic budget for that calendar year, the
2080 special assessment is effective without approval of the unit owners.
2081 Otherwise, the board shall set a date not less than ten days or more

2082 than sixty days after providing the summary for either a meeting of the
2083 unit owners or a vote by ballot without a meeting to consider approval
2084 of the special assessment. If, at such meeting or in the balloting, a
2085 majority of all unit owners, or any larger number specified in the
2086 declaration, votes to reject the assessment, the assessment shall be
2087 rejected; otherwise the assessment shall be approved. The absence of a
2088 quorum at such meeting or participating in the vote by ballot shall not
2089 affect the rejection or approval of the budget.

2090 (c) If the executive board determines by a two-thirds vote that a
2091 special assessment is necessary to respond to an emergency: (1) The
2092 special assessment becomes effective immediately in accordance with
2093 the terms of the vote; (2) notice of the emergency assessment must be
2094 provided promptly to all unit owners; and (3) the executive board may
2095 spend the funds paid on account of the emergency assessment only for
2096 the purposes described in the vote.

2097 (d) Notwithstanding any provision of the declaration or bylaws to
2098 the contrary, at least fourteen days prior to entering into any loan
2099 agreement on behalf of the association, the executive board shall (1)
2100 disclose in a record to all unit owners the amount and terms of the loan
2101 and the estimated effect of such loan on any common expense
2102 assessment, and (2) afford the unit owners a reasonable opportunity to
2103 submit comments in a record to the executive board with respect to
2104 such loan.

2105 (e) Unless prohibited or otherwise limited in the declaration, if the
2106 executive board proposes to enter into a loan agreement on behalf of
2107 the association and to assign its right to future income as security for
2108 such loan pursuant to subdivision (14) of subsection (a) of section 47-
2109 244 of the general statutes, as amended by this act, then, in addition to
2110 satisfying the requirements of subsection (d) of this section, unit
2111 owners of units to which at least a majority of the votes in the
2112 association are allocated, or any larger percentage or fraction stated in
2113 the declaration, must vote in favor of or agree to such assignment.

2114 Sec. 38. (NEW) (*Effective July 1, 2010*) (a) The following requirements
2115 apply to an association's authority under subdivision (4) of subsection
2116 (a) of section 47-244 of the general statutes, as amended by this act, to
2117 institute and maintain a proceeding alleging a construction defect with
2118 respect to the common interest community, whether by litigation,
2119 mediation, arbitration or administratively, against a declarant or an
2120 employee, independent contractor or other person directly or
2121 indirectly providing labor or materials to a declarant:

2122 (1) Subject to subsections (e) and (f) of this section, before the
2123 association institutes a proceeding described in this section, it shall
2124 provide notice in a record of its claims to the declarant and those
2125 persons that the association seeks to hold liable for the claimed defects.
2126 The text of the notice may be in any form reasonably calculated to give
2127 notice of the general nature of the association's claims, including a list
2128 of the claimed defects. The notice may be delivered by any method of
2129 service and may be addressed to any person if the method of service
2130 used: (A) Provides actual notice to the person named in the claim; or
2131 (B) would be sufficient to give notice to the person in connection with
2132 commencement of an action by the association against the person.

2133 (2) Subject to subsection (e) of this section, the association may not
2134 institute a proceeding against a person until forty-five days after the
2135 association sends notice of its claim to that person.

2136 (3) During the period described in subdivision (2) of this subsection,
2137 the declarant and any other person to which the association gave
2138 notice may present to the association a plan to repair or otherwise
2139 remedy the construction defects described in the notice. If the
2140 association does not receive a timely remediation plan from a person
2141 to which it gave notice, or if the association does not accept the terms
2142 of any plan submitted, the association may institute a proceeding
2143 against the person.

2144 (4) If the association receives one or more timely remediation plans,
2145 the executive board shall consider promptly those plans and notify the

2146 persons to which it directed notice whether the plan is acceptable as
2147 presented, acceptable with stated conditions, or not accepted.

2148 (5) If the association accepts a remediation plan from a person the
2149 association seeks to hold liable for the claimed defect, or if a person
2150 agrees to stated conditions to an otherwise acceptable plan, the parties
2151 shall agree on a period for implementation of the plan. The association
2152 may not institute a proceeding against the person during the time the
2153 plan is being diligently implemented.

2154 (6) Any statute of limitation affecting the association's right of action
2155 against a declarant or other person is tolled during the period
2156 described in subdivision (2) of this subsection and during any
2157 extension of that time because a person to which notice was directed
2158 has commenced and is diligently pursuing the remediation plan.

2159 (b) After the time described in subdivision (2) of subsection (a) of
2160 this section expires, whether or not the association agrees to any
2161 remediation plan, a proceeding may be instituted by: (1) The
2162 association against a person to which notice was directed which fails to
2163 submit a timely remediation plan, the plan of which is not acceptable,
2164 or which fails to pursue diligent implementation of that plan; or (2) a
2165 unit owner with respect to the owner's unit and any limited common
2166 elements assigned to that unit, regardless of any action of the
2167 association.

2168 (c) This section does not preclude the association from making
2169 repairs necessary to mitigate damages or to correct any defect that
2170 poses a significant and immediate health or safety risk.

2171 (d) Subject to the other provisions of this section, the determination
2172 of whether and when the association may institute a proceeding
2173 described in this section may be made by the executive board. The
2174 declaration may not require a vote by any number or per cent of unit
2175 owners as a condition to institution of a proceeding.

2176 (e) This section does not prevent an association from seeking

2177 equitable relief, a remedy in aid of arbitration or a prejudgment
2178 remedy under chapter 903a of the general statutes at any time without
2179 complying with subdivision (1) or (2) of subsection (a) of this section.

2180 (f) If the time for termination of any period of declarant control
2181 occurs and the declarant has failed to comply with subsection (d), (f) or
2182 (h) of section 47-245 of the general statutes, as amended by this act, the
2183 limitations set forth in this section or the association's authority to
2184 institute litigation shall not apply.

2185 Sec. 39. Section 47-263 of the general statutes is repealed and the
2186 following is substituted in lieu thereof (*Effective July 1, 2010*):

2187 (a) Except as provided in subsection (b) of this section, a declarant,
2188 before offering any interest in a unit to the public, shall prepare a
2189 public offering statement conforming to the requirements of sections
2190 47-264 to 47-267, inclusive, as amended by this act.

2191 (b) A declarant may transfer responsibility for preparation of all or a
2192 part of the public offering statement to a successor declarant. In the
2193 event of any such transfer, the transferor shall provide the transferee
2194 with any information necessary to enable the transferee to fulfill the
2195 requirements of subsection (a) of this section.

2196 (c) A declarant or successor declarant or a dealer who offers a unit
2197 to a purchaser shall deliver a public offering statement in the manner
2198 prescribed in subsection (a) of section 47-269. The declarant or
2199 successor declarant who prepared all or a part of the public offering
2200 statement is liable to all persons claiming an interest in the common
2201 interest community under section 47-269 for failure to deliver the
2202 public offering statement and under section 47-278, as amended by this
2203 act, for any false or misleading statement set forth therein or for any
2204 omission of a material fact therefrom. [with respect to that portion of
2205 the public offering statement which he prepared. If a declarant did not
2206 prepare any part of a public offering statement that he delivers, he is
2207 not liable for any false or misleading statement set forth therein or for
2208 any omission of a material fact therefrom unless he had actual

2209 knowledge of the statement or omission or, in the exercise of
2210 reasonable care, should have known of the statement or omission.]

2211 (d) If a unit is part of a common interest community and is part of
2212 any other real property regime in connection with the sale of which the
2213 delivery of a public offering statement is required under the general
2214 statutes, a single public offering statement conforming to the
2215 requirements of sections 47-264 to 47-267, inclusive, as amended by
2216 this act, as those requirements relate to each regime in which the unit
2217 is located, and to any other requirements imposed under the general
2218 statutes, may be prepared and delivered in lieu of providing two or
2219 more public offering statements.

2220 Sec. 40. Section 47-264 of the general statutes is repealed and the
2221 following is substituted in lieu thereof (*Effective July 1, 2010*):

2222 (a) Except as provided in subsection (b) of this section, a public
2223 offering statement shall contain or fully and accurately disclose:

2224 (1) The name and principal address of the declarant and of the
2225 common interest community, and a statement that the common
2226 interest community is either a condominium, cooperative or planned
2227 community;

2228 (2) A general description of the common interest community,
2229 including to the extent known, the types, number and declarant's
2230 schedule of commencement and completion of construction of
2231 buildings and amenities that the declarant anticipates including in the
2232 common interest community;

2233 (3) The number of units in the common interest community;

2234 (4) Copies of the declaration, including any surveys and plans, and
2235 any other recorded covenants, conditions, restrictions and reservations
2236 created by the declarant affecting the common interest community; the
2237 bylaws, and any rules or regulations of the association; any deeds,
2238 contracts and leases to be signed by or delivered to purchasers at

2239 closing, and copies of and a brief narrative description of any contracts
2240 or leases that will or may be subject to cancellation by the association
2241 under section 47-247, as amended by this act;

2242 (5) A projected budget for the association, either within or as an
2243 exhibit to the public offering statement, for one year after the date of
2244 the first conveyance to a purchaser, and thereafter the current budget
2245 of the association, a statement of who prepared the budget, and a
2246 statement of the budget's assumptions concerning occupancy and
2247 inflation factors. The budget shall include, without limitation: (A) A
2248 statement of the amount, or a statement that there is no amount,
2249 included in the budget as a reserve for repairs and replacement; (B) a
2250 statement of any other reserves; (C) the projected common expense
2251 assessment by category of expenditures for the association; and (D) the
2252 projected monthly common expense assessment for each type of unit;

2253 (6) Any services not reflected in the budget that the declarant
2254 provides, or expenses that he pays and which he expects may become
2255 at any subsequent time a common expense of the association and the
2256 projected common expense assessment attributable to each of those
2257 services or expenses for the association and for each type of unit;

2258 (7) Any initial or special fee due from the purchaser at closing,
2259 together with a description of the purpose and method of calculating
2260 the fee;

2261 (8) A brief narrative description of any liens, defects or
2262 encumbrances on or affecting the title to the common interest
2263 community not otherwise disclosed under subdivision (4) of this
2264 subsection;

2265 (9) A description of any financing offered or arranged by the
2266 declarant;

2267 (10) The terms and significant limitations of any warranties
2268 provided by the declarant, including statutory warranties and
2269 limitations on the enforcement thereof or on damages;

2270 (11) A statement that: (A) Within fifteen days after receipt of a
2271 public offering statement a purchaser, before conveyance, may cancel
2272 any contract for purchase of a unit from a declarant, and (B) if a
2273 declarant fails to provide a public offering statement to a purchaser
2274 before conveying a unit, that purchaser may recover from the
2275 declarant ten per cent of the sales price of the unit plus ten per cent of
2276 the share, proportionate to his common expense liability, of any
2277 indebtedness of the association secured by security interests
2278 encumbering the common interest community;

2279 (12) A statement of any unsatisfied judgments or pending suits
2280 against the association, and the status of any pending suits material to
2281 the common interest community of which a declarant has actual
2282 knowledge;

2283 (13) A statement that any deposit made in connection with the
2284 purchase of a unit will be held in an escrow account until closing and
2285 will be returned to the purchaser if the purchaser cancels the contract
2286 pursuant to section 47-269, together with the name and address of the
2287 escrow agent;

2288 (14) Any restraints on alienation of any portion of the common
2289 interest community and any restrictions (A) on use, occupancy and
2290 alienation of the units, and (B) on the amount for which a unit may be
2291 sold or on the amount that may be received by a unit owner on sale,
2292 condemnation or casualty loss to the unit or to the common interest
2293 community, or on termination of the common interest community;

2294 (15) A description of the insurance coverage provided for the benefit
2295 of unit owners;

2296 (16) Any current or expected fees or charges to be paid by unit
2297 owners for the use of the common elements and other facilities related
2298 to the common interest community;

2299 (17) The extent to which financial arrangements have been provided
2300 for completion of all improvements that the declarant is obligated to

- 2301 build pursuant to section 47-280;
- 2302 (18) A brief narrative description of any zoning and other land use
2303 requirements affecting the common interest community;
- 2304 (19) All unusual and material circumstances, features and
2305 characteristics of the common interest community and the units; [and]
- 2306 (20) In a cooperative, (A) either a statement that the unit owners will
2307 be entitled, for federal, state and local income tax purposes, to a pass-
2308 through of deductions for payments made by the association for real
2309 property taxes and interest paid the holder of a security interest
2310 encumbering the cooperative, or a statement that no assurances are
2311 made in that regard, and (B) a statement as to the effect on every unit
2312 owner if the association fails to pay real property taxes or payments
2313 due the holder of a security interest encumbering the cooperative; and
- 2314 (21) A description of any arrangement described in section 8 of this
2315 act.
- 2316 (b) A declarant promptly shall amend the public offering statement
2317 to report any material change in the information required to be
2318 included in the public offering statement.
- 2319 Sec. 41. Section 47-270 of the general statutes is repealed and the
2320 following is substituted in lieu thereof (*Effective July 1, 2010*):
- 2321 (a) Except in the case of a sale in which delivery of a public offering
2322 statement is required under either this chapter or chapter 825, or
2323 unless exempt under subsection (b) of section 47-262, a unit owner
2324 shall furnish to a purchaser or such purchaser's attorney, before the
2325 earlier of conveyance or transfer of the right to possession of a unit, a
2326 copy of the declaration, other than any surveys and plans, the bylaws,
2327 the rules or regulations of the association, and a certificate containing:
2328 (1) A statement disclosing the effect on the proposed disposition of any
2329 right of first refusal or other restraint on the free alienability of the unit
2330 held by the association; (2) a statement setting forth the amount of the

2331 periodic common expense assessment and any unpaid common
2332 expense or special assessment currently due and payable from the
2333 selling unit owner; (3) a statement of any other fees payable by the
2334 owner of the unit being sold; (4) a statement of any capital
2335 expenditures in excess of one thousand dollars approved by the
2336 executive board for the current and next succeeding fiscal year; (5) a
2337 statement of the amount of any reserves for capital expenditures; (6)
2338 the current operating budget of the association; (7) a statement of any
2339 unsatisfied judgments against the association and the existence of any
2340 pending suits or administrative proceedings in which the association is
2341 a [defendant] party, including foreclosures but excluding other
2342 collection matters; (8) a statement of the insurance coverage provided
2343 for the benefit of unit owners, including any schedule of standard
2344 fixtures, improvements and betterments in the units covered by the
2345 association's insurance that the association prepared pursuant to
2346 subsection (b) of section 47-255, as amended by this act; (9) a statement
2347 of any restrictions in the declaration affecting the amount that may be
2348 received by a unit owner on sale, condemnation, casualty loss to the
2349 unit or the common interest community or termination of the common
2350 interest community; (10) in a cooperative, an accountant's statement, if
2351 any was prepared, as to the deductibility for federal income tax
2352 purposes by the unit owner of real property taxes and interest paid by
2353 the association; (11) if the association is unincorporated, the name of
2354 the statutory agent for service of process filed with the Secretary of the
2355 State pursuant to section 47-244a; (12) a statement describing any
2356 pending sale or encumbrance of common elements; [and] (13) a
2357 statement disclosing the effect on the unit to be conveyed of any
2358 restrictions on the owner's right to use or occupy the unit or to lease
2359 the unit to another person; (14) a statement disclosing the number of
2360 units whose owners are at least sixty days' delinquent in paying their
2361 common charges on the date of the statement; (15) a statement
2362 disclosing the number of foreclosure actions brought by the association
2363 during the past twelve months and the number of such actions
2364 pending on a specified date within sixty days of the date of the
2365 statement; and (16) any established maintenance standards adopted by

2366 the association pursuant to subsection (e) of section 47-257, as
2367 amended by this act.

2368 (b) (1) Not later than ten business days after receipt of a [written]
2369 request in a record from a unit owner and payment by the unit owner
2370 of a fee established by the association that [reflects the actual printing,
2371 photocopying and related costs, but in no event in excess of] does not
2372 exceed one hundred twenty-five dollars plus either five cents for each
2373 page of document copies provided by the association pursuant to this
2374 section or a flat fee of ten dollars for an electronic version of those
2375 documents, for the preparation of the certificate and other documents,
2376 the association shall furnish a certificate containing the information
2377 necessary to enable the unit owner to comply with this section and any
2378 other documents required by this section. The association shall itemize
2379 the actual printing, photocopying and related costs and provide a list
2380 of the itemized costs to the unit owner with the certificate and
2381 documents. An additional fee of not more than ten dollars for
2382 expedited preparation may be established if the certificate and all
2383 required documents are furnished to the unit owner not later than
2384 three business days after the [written] request in a record is received
2385 by the association. No fee under this subsection may include costs for
2386 services provided by an attorney or paralegal.

2387 (2) A unit owner providing a certificate and documents pursuant to
2388 subsection (a) of this section is not liable to the purchaser for any
2389 erroneous information provided by the association and included in the
2390 certificate and documents.

2391 (c) A purchaser is not liable for any unpaid assessment or fee greater
2392 than the amount set forth in the certificate prepared by the association.
2393 A unit owner is not liable to a purchaser for the failure or delay of the
2394 association to provide the certificate and documents in a timely
2395 manner, but the purchase contract is voidable by the purchaser until
2396 (1) the expiration of five days, excluding Saturdays, Sundays and legal
2397 holidays, after the certificate and documents have been delivered to
2398 such purchaser or such purchaser's attorney, or seven days, excluding

2399 Saturdays, Sundays and legal holidays, after the certificate and
2400 documents have been sent by registered or certified mail or mail
2401 evidenced by a certificate of mailing to such purchaser or such
2402 purchaser's attorney, or (2) conveyance, whichever first occurs.

2403 (d) A dealer who offers a unit which he owns shall, in addition to
2404 the material provided to a purchaser or such purchaser's attorney
2405 under subsection (a) of this section, furnish to such purchaser or such
2406 purchaser's attorney a copy of any public offering statement that the
2407 dealer received at the time he purchased his unit.

2408 (e) The association shall, during the month of January in each year,
2409 file in the office of the town clerk of the municipality or municipalities
2410 where such common interest community is located a certificate setting
2411 forth the name and mailing address of the officer of the association or
2412 the managing agent from whom a resale certificate may be requested,
2413 and shall, thereafter, file such a certificate within thirty days of any
2414 change in the name or address of such officer or agent. The town clerk
2415 shall keep such certificate on file in his office and make it available for
2416 inspection.

2417 Sec. 42. Section 47-274 of the general statutes is repealed and the
2418 following is substituted in lieu thereof (*Effective July 1, 2010*):

2419 (a) Express warranties made by any seller to a purchaser of a unit, if
2420 relied on by the purchaser, are created as follows:

2421 (1) Any affirmation of fact or promise which relates to the unit, its
2422 use, or rights appurtenant thereto, area improvements to the common
2423 interest community that would directly benefit the unit, or the right to
2424 use or have the benefit of facilities not located in the common interest
2425 community, creates an express warranty that the unit, area
2426 improvements and related rights and uses will conform to the
2427 affirmation or promise;

2428 (2) Any model or description of the physical characteristics of the
2429 common interest community, including plans and specifications of or

2430 for improvements, creates an express warranty that the common
2431 interest community will substantially conform to the model or
2432 description unless the model or description clearly discloses that it is
2433 only proposed or is subject to change;

2434 (3) Any description of the quantity or extent of the real property
2435 comprising the common interest community, including surveys,
2436 creates an express warranty that the common interest community will
2437 conform to the description, subject to customary tolerances; and

2438 (4) A provision that a purchaser may put a unit only to a specified
2439 use is an express warranty that the specified use is lawful.

2440 (b) Neither formal words, such as "warranty" or "guarantee", nor a
2441 specific intention to make a warranty, are necessary to create an
2442 express warranty of quality, but a statement purporting to be merely
2443 an opinion or commendation of the real property or its value does not
2444 create a warranty.

2445 (c) Any conveyance of a unit transfers to the purchaser all express
2446 warranties of quality made by previous sellers only to the extent such a
2447 conveyance would transfer warranties pursuant to chapter 827.

2448 Sec. 43. Section 47-278 of the general statutes is repealed and the
2449 following is substituted in lieu thereof (*Effective July 1, 2010*):

2450 (a) [If a declarant or any other person subject to this chapter fails to
2451 comply with any of its provisions or any provision of the declaration
2452 or bylaws, any person or class of persons adversely affected by the
2453 failure to comply has a claim for appropriate relief. Punitive damages
2454 may be awarded for a wilful failure to comply with this chapter.] A
2455 declarant, association, unit owner or any other person subject to this
2456 chapter may bring an action to enforce a right granted or obligation
2457 imposed by this chapter, the declaration or the bylaws. The court may
2458 award [court costs together with] reasonable attorney's fees and costs.

2459 (b) Parties to a dispute arising under this chapter, the declaration or

2460 the bylaws may agree to resolve the dispute by any form of binding or
 2461 nonbinding alternative dispute resolution, provided: (1) A declarant
 2462 may agree with the association to do so only after the period of
 2463 declarant control [passes] has expired; and (2) an agreement to submit
 2464 to any form of binding alternative dispute resolution must be in a
 2465 [writing signed] record authenticated by the parties.

2466 Sec. 44. Subdivision (6) of subsection (e) of section 47-204 of the
 2467 general statutes is repealed and the following is substituted in lieu
 2468 thereof (*Effective from passage*):

2469 (6) A conveyance of a unit owner's interest in a cooperative created
 2470 before, on or after January 1, 1984, is accomplished by delivery to the
 2471 purchaser of an instrument, executed in the same manner as a deed,
 2472 conveying all the seller's interest in the unit. A notice of a proprietary
 2473 lease complying with section 47-19 and signed by a duly authorized
 2474 officer of the association may be recorded on the land records as
 2475 evidence of the named unit owner's interest in that unit."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	47-202
Sec. 2	July 1, 2010	New section
Sec. 3	July 1, 2010	47-214
Sec. 4	July 1, 2010	47-215
Sec. 5	July 1, 2010	47-216
Sec. 6	July 1, 2010	47-218
Sec. 7	July 1, 2010	47-219
Sec. 8	July 1, 2010	New section
Sec. 9	July 1, 2010	New section
Sec. 10	July 1, 2010	47-222
Sec. 11	July 1, 2010	47-225
Sec. 12	July 1, 2010	47-226
Sec. 13	July 1, 2010	47-232
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